

CITY OF NAPERVILLE,
ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

CITY OF NAPERVILLE, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2023

Prepared by:
The Finance Department

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
List of Principal Officials.....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Transmittal Letter.....	iv-viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-4
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	5-6
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis.....	MD&A 1-17
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	7-8
Statement of Activities	9-10
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	11
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	14

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position	15-16
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	17
Statement of Cash Flows	18-19

Fiduciary Funds

Statement of Fiduciary Net Position.....	20
Statement of Changes in Fiduciary Net Position.....	21

Notes to the Financial Statements	22-78
---	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
General Fund	79
Notes to Required Supplementary Information - Budgetary Comparison Schedule	80
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	81
Police Pension Fund	82
Firefighters' Pension Fund	83
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund	84-85
Police Pension Fund	86-87
Firefighters' Pension Fund	88-89
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan	90
Schedule of Investment Returns	
Police Pension Fund	91
Firefighters' Pension Fund	92

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

Detailed Schedules of Revenues - Budget and Actual - General Fund.....	93-95
Detailed Schedule of Expenditures - Budget and Actual - General Fund.....	96-101
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Debt Service Fund	102
Capital Projects Fund	103

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	104-107
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	108-111

Special Revenue Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	112
Community Development Block Grant Fund.....	113
Road and Bridge Fund	114
Napier Settlement Fund	115-116
Foreign Fire Insurance Tax Fund	117
E-911 Surcharge Fund	118
Food and Beverage Tax Fund.....	119
Downtown Maintenance Fund.....	120
Test Track Fund.....	121
Water Street TIF Fund.....	122
Drug Forfeiture Fund.....	123
Special Service Area #25 Fund.....	124
Special Service Area #30 Fund.....	125
Special Service Area #31 Fund.....	126
ETSB Fund	127
Special Service Area #34 Fund.....	128
ARPA Fund	129

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
 STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Debt Service Funds

Schedules of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual

Special Service Area #23 Fund.....	130
Downtown Parking Fund.....	131

Capital Projects Funds

Schedules of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual

Bond Project Fund.....	132
------------------------	-----

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position.....	133
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	134
Combining Statement of Cash Flows.....	135

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position	136
Combining Statement of Changes in Fiduciary Net Position	137

STATISTICAL SECTION (Unaudited)

Financial Trends

Net Position by Component	138-139
Changes in Net Position.....	140-143
Fund Balances of Governmental Funds	144-145
Changes in Fund Balances of Governmental Funds	146-147

Revenue Capacity

Governmental Funds Tax Revenue by Source.....	148
Assessed Value and Actual Value of Taxable Property.....	149
Property Tax Rates - Direct and Overlapping Governments	150
Principal Property Taxpayers.....	151
Property Tax Levies and Collections	152
Sales Taxes by Category	153
Direct and Overlapping Sales Tax Rates	154

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Unaudited) (Continued)	
Debt Capacity	
Ratios of Outstanding Debt by Type.....	155
Ratios of General Bonded Debt Outstanding.....	156
Direct and Overlapping Governmental Activities Debt.....	157
Schedule of Legal Debt Margin	158
Demographic and Economic Information	
Demographic and Economic Information.....	159
Principal Employers	160
Operating Information	
Full-Time Equivalent Employees	161
Operating Indicators.....	162
Capital Asset Statistics.....	163

INTRODUCTORY SECTION

CITY OF NAPERVILLE, ILLINOIS

Elected and Appointed Officers and Officials

For the fiscal year ended December 31, 2023

Mayor

Scott Wehrli

Council

Patrick Kelly

Allison Longenbaugh

Jennifer Bruzan Taylor

Nate Wilson

Ian Holzhauer

Paul Leong

Josh McBroom

Dr. Benjamin White

City Manager

Douglas A. Krieger

Deputy City Manager

Marcie J. Schatz

Community Services Director

Vacant

Finance Director

Raymond Munch

Chief of Police

Jason Arres

Fire Chief

Mark J. Puknaitis

Director of Public Works

Richard E. Dublinski

Director of T.E.D. Business Group

William J. Novack

**Director of Public Utilities –
Electric**

Brian Groth

**Director of Public Utilities –
Water**

Darrell Blenniss

Director of Human Resources

Blaine Wing

City Attorney

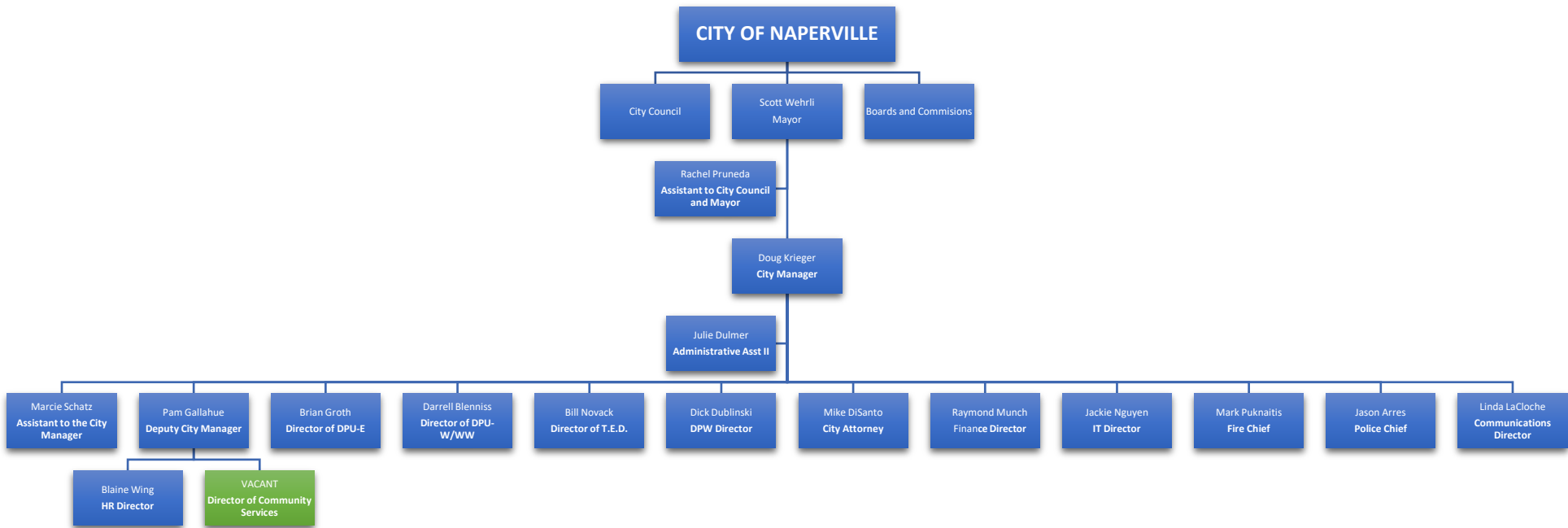
Michael DiSanto

Director of IT

Jackie Nguyen

Communication Director

Linda LaCloche





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Naperville
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



June 19, 2024

Honorable Mayor Scott Wehri, City Council, and Residents of the City of Naperville:

We are pleased to submit the Annual Comprehensive Financial Report of the City of Naperville for the fiscal year ending December 31, 2023. State law and local ordinances require that we publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Naperville. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Naperville has established a comprehensive framework of internal controls that are designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Naperville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Naperville's comprehensive framework of internal controls has been designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Naperville's basic financial statements have been audited by Sikich CPA LLC, a firm of licensed certified public accountants, with the goal of providing reasonable assurance that the basic financial statements of the City of Naperville for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Naperville's basic financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

The independent audit of the basic financial statements of the City of Naperville was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government’s internal controls and compliance with legal requirements involving the administration of federal grants. These reports are available in the City of Naperville’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Naperville’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Naperville, incorporated in 1857, is located in the northeastern part of Illinois. The City of Naperville currently occupies a land area of 40.02 square miles and serves a population of 149,936. The City of Naperville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the City Council.

The City has operated under the Council-Manager form of government since 1969. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and eight council members. The City Council sets policy for the City, passes ordinances, adopts resolutions and the annual budget, and approves all expenditures. The mayor and the council members are elected at large on a non-partisan basis.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing the directors of the City’s departments.

The City includes all the funds of the primary government (i.e., the City of Naperville as legally defined), as well as its component units. Component units are legally separate entities for which the City is financially accountable. The City provides a full range of services, including police and fire protection; refuse and recycling services; planning and development review; and construction and maintenance of highways, streets, and other infrastructure, as well as water, wastewater, and electric utilities.

The utility funds, providing electricity, water, and wastewater services, are reported as enterprise funds of the City. In addition, the Solid Waste Fund and Commuter Parking Fund are treated as enterprise funds, due to the business-like nature of their operations. Discretely presented component units are reported as a separate column in the basic

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

financial statements to emphasize that these funds are legally separate from the primary government and to differentiate their financial position, changes in financial position, and cash flows from those of the primary government. The Naperville Public Library is reported as a discretely presented component unit.

The annual budget serves as the foundation for the City of Naperville's financial planning and control. All departments of the City of Naperville are required to submit requests for appropriation to the City Manager, who then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review, public hearing, and adoption before the City's fiscal year-end. The budget year begins on January 1 and ends on December 31 of the same year. The annual budget is prepared by fund and department (e.g., police, fire, public works, etc.). Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the City of Naperville operates.

For more than 25 years, the City has maintained a AAA bond rating and managed its finances to support a consistently low property tax rate while providing high-quality services to the community. Following several decades of rapid growth beginning in the 1980s, the City transitioned to a maintenance community in the 2010s. As the expansion of revenue streams fueled by development waned, the City experienced depleted cash reserves and increased reliance on borrowing for infrastructure maintenance projects.

In 2016, the City Council developed and passed a financial strategy that put the City on a road to long-term financial stability, understanding that any future growth would involve limited infill versus expansion and that assets developed in Naperville's growth phase would require more extensive maintenance in the coming decades as those assets aged. That financial strategy included the adoption of a new mission statement and ends policies to support and guide the everyday operations of all City departments. Financial management was a significant component of the new ends policies which led staff to modify the philosophies that surround the budget process and financial state of the City.

As part of this financial management and planning, the City Council established the following three financial principles as a guideline for the long-term financial stability of the community.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Principle #1

- The City will pass a structurally balanced operating budget annually

Principle #2

- The City commits to continuous improvement in the delivery of necessary and cost-effective services

Principle #3

- The City will actively seek to increase its reserves to twenty-five percent (25%) and reduce its debt by twenty-five percent (25%) in the next eight years.

Since their adoption, these principles have guided the City's financial planning and budgeting, and financial decisions have consistently tested against these principles. We are pleased to report that as of December 31, 2023, the City has achieved the goals established in Principle #3. The impact of the City's active financial management can be seen in its rising cash balances, decreasing debt burden, and reaffirmation of the City's AAA credit rating by both Moody's and Standard & Poor's as recently as April 2024. Both rating agencies cite the City's strong fiscal management as one of the driving factors in its AAA rating.

The City has utilized its strong fiscal management strategies to navigate the persistent challenges created by the COVID-19 global pandemic. Despite local, national and global economic challenges, including high inflation, continued supply chain issues and rising labor costs, the City has realized strong revenues which have allowed for continued investment in public services and infrastructure. Through strong budgetary controls and strategic financial management, the City realized a General Fund surplus on December 31, 2023.

The City continuously monitors the financial climate at the state and federal levels and takes a conservative approach to financial planning. At the federal level, the City monitors those factors that directly impact Naperville, including changes in monetary policy and legislation that could have potential impacts on City revenues and expenditures. The State of Illinois continues to be an external risk to the City's financial stability. The state's overall financial status impacts Naperville in several ways, including the potential for higher borrowing costs, unfunded mandates, and fiscal uncertainty regarding economic development. That said, the state is now more financially stable than it has been in prior years.

Despite the uncertainty created at other levels of government, the City continues to enjoy a strong local economy. Naperville continues to see consistent retail and restaurant sales that generate significant sales tax revenue. And, while real estate sales slowed in late 2022 as interest rates rose, developers continue to look at Naperville as a destination for business. These trends, when combined with the City's strong balance sheet, show Naperville has established a stable financial status. That said, the City will continue financial planning so that it may be prepared to react to volatility while investing in the community's future.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Awards and Acknowledgements

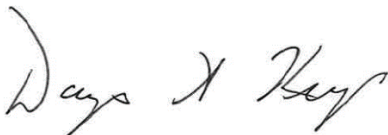
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2022. This was the 30th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR according to guidelines established by GFOA. This report satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City has been awarded the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2024. The City has received this prestigious award for 31 consecutive years. To qualify for the Distinguished Budget Presentation Award, a government's budget document must be judged to be proficient in several categories, including policy documentation, financial planning, and organization.

The preparation of these reports would not have been possible without the efficient and dedicated services of the entire City of Naperville Finance Department. We would like to express our appreciation to all department members who contributed to the preparation of this report. Credit should also be given to City leadership, including the City Council, department heads, and their staff, for maintaining the highest standards of professionalism in the management of Naperville's finances throughout this reporting period.

Respectfully submitted,



Douglas A. Krieger
City Manager



Raymond Munch
Finance Director

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Naperville
400 South Eagle Street
Naperville, Illinois 60540

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We did not audit the financial statements of the Firefighters' Pension Fund of the City which represents 43%, 45%, and 26% of the assets, fund balances/net position, and revenue/additions, respectively, of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund of the City is based on the report of the other auditors.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The City adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended December 31, 2023. The implementation of this guidance resulted in changes to the assets, liabilities, and notes to the financial statements (see note 13 for additional information). Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Firefighters' Pension Fund (fiduciary component unit), the Police Pension Fund (fiduciary component unit), and the Naperville Public Library (discretely presented component unit) were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We and the other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2024 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
June 19, 2024

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Mayor and City Council
City of Naperville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2024. Our report includes a reference to other auditors who audited the financial statements of the Firefighters' Pension Fund, as described in our report on City of Naperville, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Naperville Police Pension Fund and the Naperville Public Library were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Naperville Police Pension Fund or the Naperville Public Library.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois
June 19, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City of Naperville's ("the City") Management's Discussion and Analysis (MD&A) is designed to achieve the following:

- assist the reader in focusing on significant financial issues;
- provide an overview of the City's financial activity;
- identify changes in the City's financial position (its ability to address subsequent year's challenges);
- identify material deviations from the financial plan (the approved budget); and
- identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current fiscal year's activities, resulting changes, and currently known facts, please read it in conjunction with the City's basic financial statements beginning on page 7.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$942.4 million (net position) as of December 31, 2023.
- The City's total net position for the fiscal year increased by \$57.2 million, or 6.5%. The governmental net position increased by \$41.9 million, or 10.1%, and the business-type net position increased by \$15.3 million, or 3.3%.
- The City's governmental funds reported combined ending fund balances of \$157.7 million. The General Fund accounted for \$79.8 million, or 50.6%, of the total. The General Fund ending balance increased by \$12.9 million, or 19.2%, from the previous reporting period.
- The City issued no new debt during the reporting period and paid down \$14.6 million in existing debt to reduce the total outstanding bonded debt to \$82.5 million.
- Net position in the City's pension trust funds increased by \$59.5 million, or 13.9%, due to investment gains and an appreciation in the market value of investments held by pension funds.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the basic financial statements. The City of Naperville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements (see pages 7-10) are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidies to various business-type activities and/or the component unit.

Governmental activities reflect the City's basic services, including public safety, transportation, general government administration, physical environment, culture, and recreation. Taxes on property, shared state sales, local utility, and shared state income taxes finance most of these services. The business-type activities reflect private sector-type operations (Electric, Water and Wastewater, Solid Waste, and Commuter Parking), where service fees typically cover all or most of the cost of operation, including depreciation.

The government-wide financial statements include not only the City itself (known as the primary government) but also a legally separate unit, Naperville Public Library, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Debt Service Fund which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation as nonmajor funds.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City adopts an annual budget for its General Fund and most other governmental funds. Budgetary comparison schedules have been disclosed to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Electric Utility, Water and Wastewater Utility, solid waste, and commuter parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities. Because these services predominantly benefit governmental functions, they have been allocated to the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Utility, Water and Wastewater Utility, solid waste, and commuter parking operations. The Electric Utility Funds and the Water and Wastewater Utility Funds both are major funds of the City.

The basic proprietary fund financial statements can be found on pages 15-19 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 20-21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budgetary comparison to actual experience for the General Fund, as well as the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be found on pages 79-92 of this report.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Government-wide Financial Analysis

Statement of Net Position

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$942.4 million as of December 31, 2023. By far the largest portion of the City's net position, at \$847.4 million, reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$35.9 million of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position at \$59.1 million may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents a condensed summary of Net Position as of December 31, 2023, and December 31, 2022:

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 238.6	222.8	85.8	94.4	324.4	317.2
Capital Assets	495.3	483.8	453.1	437.0	948.4	920.8
Total Assets	733.9	706.6	538.9	531.4	1,272.8	1,238.0
Deferred Outflows	58.3	101.9	11.7	15.3	70.0	117.2
Total Assets/Deferred Outflows	792.2	808.5	550.6	546.7	1,342.9	1,355.2
Long-Term Liabilities	254.1	298.0	39.2	50.3	293.3	348.3
Other Liabilities	23.8	38.5	26.3	26.4	50.1	64.8
Total Liabilities	278.0	336.5	65.5	76.7	343.5	413.1
Deferred Inflows	56.4	56.1	0.5	0.8	57.0	56.8
Total Liabilities/Deferred Inflows	334.4	392.5	66.1	77.4	400.4	469.9
Net Position						
Net Investment in Capital Assets	424.7	409.4	422.7	402.3	847.4	811.7
Restricted	35.9	31.2	-	-	35.9	31.2
Unrestricted (Deficit)	(2.7)	(24.7)	61.8	67.0	59.1	42.3
Total Net Position	457.8	416.0	484.6	469.3	942.4	885.2

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

Five basic (normal) transactions will affect the comparability of the Statement of Net Position summary presentation.

Net-Results of Activities – This will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – This will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – This will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt which will not change net investment in capital assets.

Principal Payment on Debt – This will reduce current assets and reduce long-term debt, and reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – This will reduce capital assets and net investment in capital assets.

Current Year Impacts

As of December 31, 2023, the City reported positive balances in two of the three categories of net position for governmental activities. For business-type activities, the City reported positive balances in all categories of net position. During the current fiscal year, the total unrestricted net position changed to \$59.1 million compared to \$42.3 million the prior year.

The deficit in unrestricted net position for governmental activities is the result of the net pension liabilities and related activity for the City's Illinois Municipal Retirement Fund, Police Pension Fund, and Firefighters' Pension Fund. The governmental unrestricted net position increased by \$22.0 million due to increases in numerous governmental revenue categories and investment returns in pension funds.

The business-type unrestricted net position decreased by \$5.1 million to \$61.8 million, due in part to operating losses in the Electric Utility resulting from declining energy sales.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The following table presents a condensed summary of Changes in Net Position for the years ended December 31, 2023, and December 31, 2022:

	Change in Net Position (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 27.4	27.8	222.9	221.7	250.3	249.5
Operating Grants/Contributions	4.1	3.6	-	-	4.1	3.6
Capital Grants/Contributions	6.9	9.2	5.0	2.7	12.0	11.9
General Revenues						
Property Taxes	41.7	41.5	-	-	41.7	41.5
Other Taxes	128.0	129.4	-	-	128.0	129.4
Other Revenues	23.9	(3.5)	5.2	(3.9)	29.1	(7.4)
Total Revenues	<u>232.1</u>	<u>207.9</u>	<u>233.1</u>	<u>220.5</u>	<u>465.2</u>	<u>428.5</u>
Expenses						
General Government	22.3	23.4	-	-	22.3	23.4
Physical Environment	12.6	14.2	-	-	12.6	14.2
Public Safety	102.5	104.7	-	-	102.5	104.7
Culture and Recreation	9.4	10.4	-	-	9.4	10.4
Transportation	41.3	37.6	-	-	41.3	37.6
Interest on Long-Term Debt	2.1	2.3	-	-	2.1	2.3
Electric	-	-	141.7	154.6	141.7	154.6
Water and Wastewater	-	-	67.3	71.3	67.3	71.3
Burlington Commuter Parking	-	-	1.3	1.2	1.3	1.2
Solid Waste	-	-	7.6	7.3	7.6	7.3
Total Expenses	<u>190.2</u>	<u>192.7</u>	<u>217.9</u>	<u>234.4</u>	<u>408.1</u>	<u>427.0</u>
Change in Net Position	41.8	15.3	15.3	(13.8)	57.1	1.5
Net Position - Beginning	<u>416.0</u>	<u>400.7</u>	<u>469.3</u>	<u>483.1</u>	<u>885.3</u>	<u>883.8</u>
Net Position - Ending	<u>457.8</u>	<u>416.0</u>	<u>484.6</u>	<u>469.3</u>	<u>942.4</u>	<u>885.3</u>

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

Revenues

Economic Condition – This can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, income, and utility tax revenues as well as public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/Decrease in the City-Approved Rates – While certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (electric, water/wastewater, impact fees, building fees, ambulance fees, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – Certain recurring revenue (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on a year-to-year comparison.

Market Impact on Investment Income – The City's investment portfolio is managed utilizing investments of various maturities. Changes in market conditions will cause investment income to fluctuate due to the related appreciation or depreciation of these assets.

Expenses

Changes in Authorized Personnel – Changes in service demand may cause the City to increase/decrease authorized staffing.

Salary Increase (annual adjustments and merit) – The ability to attract and retain human resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – While inflation has a reasonably modest impact on expenses most years, the City is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases (e.g., fuel prices).

Current Year Impacts

Governmental Activities. Governmental activities increased the City's net position by \$41.9 million.

Revenue

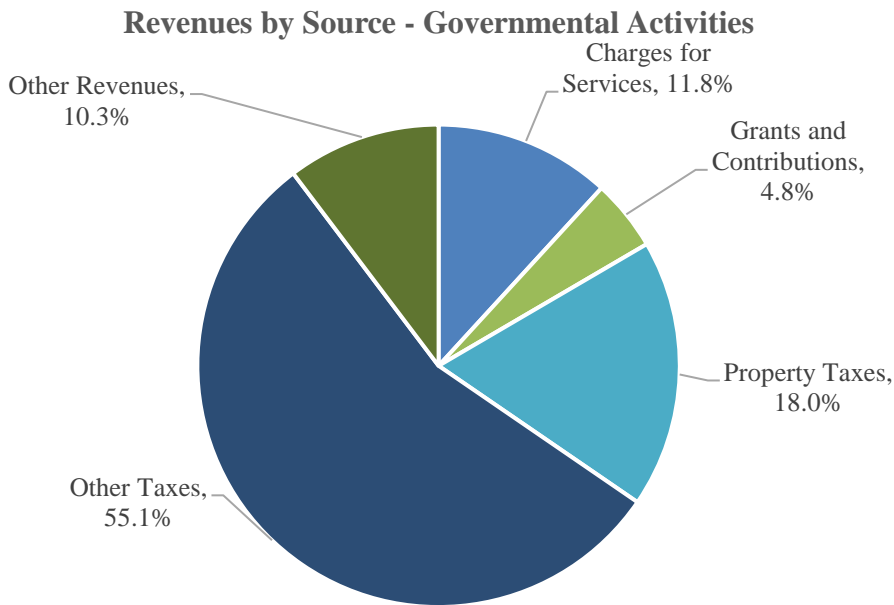
Total revenues from governmental activities increased by \$24.2 million from the prior year. The Other Revenues category increased by \$26.2 million, which is due predominantly to income from investments and the American Rescue Plan Act grant. All other categories of governmental revenue remained relatively flat in comparison to the prior year.

CITY OF NAPERVILLE, ILLINOIS

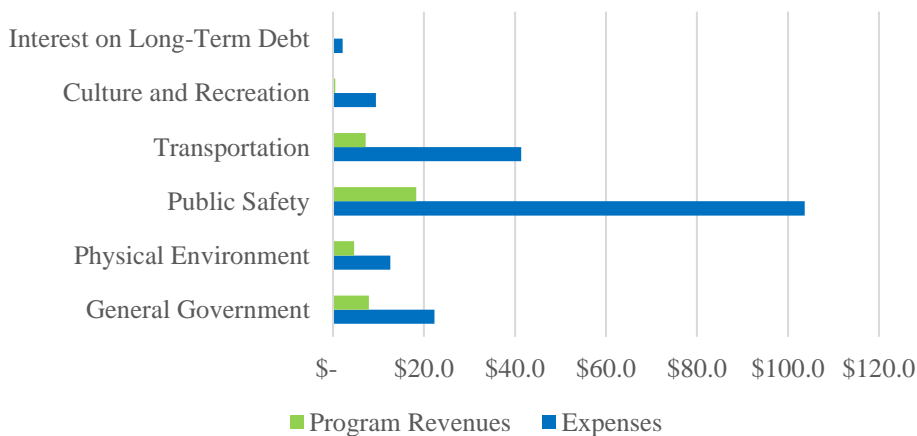
Management's Discussion and Analysis

Expenses

Total expenses related to governmental activities decreased by \$2.1 million to \$190.2 million. The decrease predominantly comes from lower expenses in the general government, physical environment, and public safety functions. General government expenses were \$1.0 million lower than the previous year, physical environment \$1.6 million lower and public safety \$2.2 million lower. These decreases are partly attributable to lower IMRF pension and other post-employment benefits (OPEB) expenses. Those decreases were offset by transportation expenses that increased by \$3.7 million due to an increase in capital outlay on related projects.



Expenses & Program Revenues - Governmental Activities
(\$ in Millions)



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

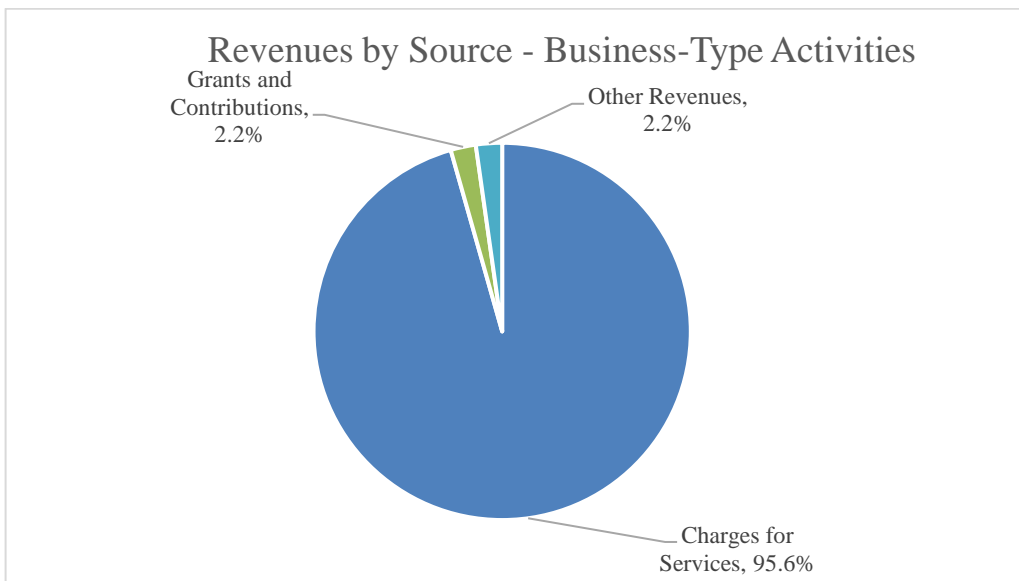
Business-type activities. The net position for business-type activities increased by \$15.3 million.

Revenue

Overall revenues from business-type activities increased by \$12.6 million from the prior year. Other Revenues increased by \$9.1 million. The primary driver of that increase is a gain on investments and increases in water/wastewater charges. Program-related revenues increased by \$3.5 million.

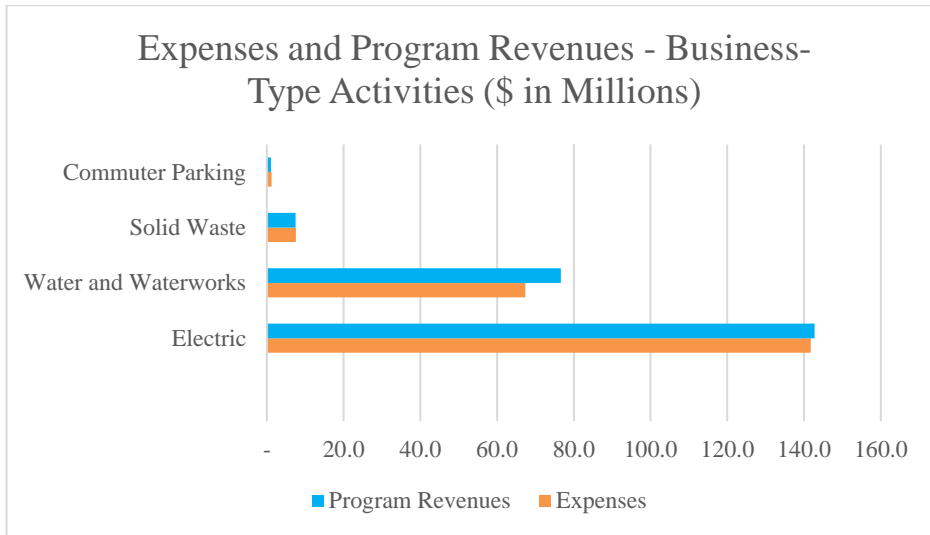
Expenses

Total expenses from business-type activities decreased by \$16.5 million, or 7.0%. Expenses in the Electric Utility Fund decreased by \$12.9 million due primarily to lower expenses for purchased electricity because of declining energy sales. Water Utility expenses decreased by \$4.0 million due to lower expenses for purchased water resulting from declining water sales and generally lower operating costs. Expenses for commuter parking increased by just \$0.1 million due to ongoing management of personnel and operating costs. Solid waste expenses increased by \$0.2 million due to contractual increases in waste hauling costs.



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds, which include the General Fund and 25 other funds, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$157.7 million, an increase of \$26.0 million in comparison with the prior fiscal year. Of the total fund balance amount, \$78.5 million constitutes unassigned fund balance, which is an increase of \$12.7 million over the prior year. The remainder of the fund balance is for a variety of restricted, committed, and assigned purposes and is not available for new spending.

Major Governmental Funds

The General Fund serves as the primary government fund responsible for supporting key public services, such as public safety, public works, and general government services. At the end of the current fiscal year, the General Fund had a total fund balance of \$79.8 million, an increase of 19.2%. Of that, \$79.0 million constitutes unassigned fund balance. The considerable increase in the fund balance is the result of higher-than-expected revenues, which exceeded expenses in the fund. Revenue outperformance is seen in state sales and use taxes and income tax, which continued to see better-than-expected growth due to strength in the local and state economies. Ambulance fees continue to generate more revenue than expected due to the GEMT program, which allows for additional cost recovery through Medicaid. Investment and interest income were also significant drivers of the increasing fund balance as the interest rate and general market environment were more stable than in prior years.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The Capital Projects Fund supports general government capital projects, such as transportation infrastructure, public facilities, and vehicle and equipment replacement. At the end of the current fiscal year, the Capital Projects Fund had a total fund balance of \$35.6 million, an increase of 30.1%. That fund balance is assigned to future capital projects. The fund balance increase is attributable to strong revenues that were offset by lower-than-expected project costs. The fund balance will be utilized in future years once delayed projects move forward.

The Debt Service Fund is funded by a property tax restricted to the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds. At the end of the current fiscal year, the Debt Service Fund had a total fund balance of \$4.7 million.

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2023, and December 31, 2022:

	12/31/2023	Percent of Total	12/31/2022	Amount of Increase (Decrease)	Percent of Increase (Decrease)
(Amounts Expressed in Thousands)					
Revenues					
Taxes	\$ 73,818	31.80%	77,011	(3,193)	-4.15%
Licenses and Permits	2,326	1.00%	2,503	(177)	-7.08%
Fines and Forfeits	1,324	0.57%	1,301	23	1.76%
Net Investment Income	6,979	3.01%	(7,397)	14,376	194.35%
Intergovernmental	118,074	50.86%	105,670	12,404	11.74%
Charges for Services	23,990	10.33%	24,135	(144)	-0.60%
Fees	2,655	1.14%	2,860	(205)	-7.17%
Contributions and Miscellaneous	2,966	1.28%	1,863	1,103	59.19%
Total Revenues	232,132	100.00%	207,946	24,186	11.63%

Governmental revenues increased by \$24.2 million, or 11.6% in 2023. Intergovernmental revenues represent the largest revenue source among the governmental funds, which increased by \$12.4 million, or 6.0%. Intergovernmental revenues include state-shared taxes, such as sales and income taxes. Continued strength in the local economy resulted in strong gains in this category, with sales tax increasing by 3.6%. While income tax decreased by 2.0% over the prior year, the total revenue remained elevated when compared to historical averages. Taxes accounted for \$73.8 million in revenue, a decrease of \$3.2 million, or 4.2%. This category includes such items as utility tax, property tax (including those levied for pension purposes), hotel/motel tax, real estate transfer tax, and food and beverage tax. Revenue categories experiencing notable declines included Other Taxes, which declined by \$2.5 million. That decline was driven by a 40% decrease in real estate transfer tax revenue because of declining property sales in light of higher interest rates.

CITY OF NAPERVILLE, ILLINOIS

Management’s Discussion and Analysis

	12/31/2023	Percent of	12/31/2022	Amount of	Percent of
		Total		Increase	Increase
				(Decrease)	(Decrease)
(Amounts Expressed in Thousands)					
Expenditures					
Current					
General Government	\$ 20,506	9.60%	15,905	4,601	28.93%
Transportation/Physical Environment	35,015	16.38%	33,150	1,865	5.63%
Public Safety	96,533	45.17%	93,806	2,727	2.91%
Culture and Recreation	8,447	3.95%	8,112	335	4.14%
Debt Service					
Principal	11,951	5.59%	9,550	2,400	25.14%
Interest, Fees and Issuance Costs	2,263	1.06%	2,545	(281)	-11.06%
Capital Outlay	39,000	18.25%	27,547	11,453	41.58%
Total Expenditures	213,715	100.00%	190,614	23,101	12.12%

Expenditures in governmental funds increased by \$23.1 million, or 12.1%, from the prior fiscal year. Public safety expenditures account for the largest portion of governmental expenditures at \$96.5 million, an increase of \$2.7 million. Salaries for personnel and related expenses account for most of that amount.

Capital outlay increased by \$11.5 million, or 41.6%, in the current year. Major capital projects during the reporting period included continued roadway, bridge, and public facility maintenance as well as investments in technology infrastructure throughout the City.

Significant General Fund budgetary variances

As of December 31, 2023, General Fund expenditures totaled \$143.1 million, which was \$1.7 million less than the final budget of \$144.8 million. Total expenditures for General Government were under budget by \$0.9 million. This was largely the result of salaries and benefits being under budget due to various staff vacancies. Physical Environment expenditures were \$1.1 million less than the final budget due to personnel vacancies, but also spending significantly less than expected on contractual services and supplies, including maintenance of public buildings. Similarly, Transportation expenditures were significantly under budget by \$2.5 million. Savings in contractual services, including contractual snow removal, totaled \$0.9 million. Supplies in public works operations and fleet services accounted for another \$1.2 million in savings. Public Safety expenditures exceeded the final budget by \$1.1 million. Higher than anticipated costs for police and fire personnel, including overtime and benefits, were the primary drivers of differences between the final budget and actual expenditures.

Proprietary Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Electric Utility – The Electric Utility recorded a net loss of \$0.4 million before capital fees for the fiscal year ended December 31, 2023, compared to a net loss of \$13.4 million for the prior year. The loss is attributable to operating expenses and depreciation costs exceeding operating revenues. Energy conservation efforts resulted in \$4.2 million less in charges for services; however, miscellaneous income

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

is higher by \$0.3 million due to new installations. The utility saw unrealized investment income of \$1.3 million. The Electric Utility saw a net decrease in cash and cash equivalents of \$9.9 million for the year ended December 31, 2023.

In 2021, the utility commissioned a rate study, which established rates through 2024. For 2023, rates increase by 0.5% when averaged across all rate classes. The rate study also adjusted the Purchased Power Adjustment (PPA) base to re-align with power costs. PPA is a rate-setting tool that allows the utility to smooth rate fluctuations using a six-month average. The updated rates support \$15.0 million in capital investment over each of the next three years.

Megawatt hour consumption for 2023 totaled 1.208 million, which was a 7.6% decrease from 2022. The City's purchased power expense for the 12 months ended December 31, 2023, was \$96.0 million, which is 74.8% of operating expenses for the year. Purchased power costs fluctuate based on heating degree days, cooling degree days, the rate for purchased electricity, and demand charges; however, they consistently account for the most significant expense to run the Electric Utility.

Water/Wastewater Utility – The Water/Wastewater Utility recorded a net income of \$10.8 million before capital fees for the fiscal year ended December 31, 2023, compared to a net loss of \$2.9 million for the prior year. The gain is attributable to an increase in operating revenues which were offset by lower purchased water costs. The utility also realized investment income of \$1.7 million. The Water/Wastewater Utility saw a net decrease in cash and cash equivalents of \$3.5 million for the year ended December 31, 2023.

In 2021, the City Council approved a new rate schedule for the Water and Wastewater Utility. New rates went into effect on January 1, 2023, and annual increases are projected through 2024. The new rates include an additional fixed charge for each customer that will help fund capital improvements to the water distribution system. Rates for the phosphorus surcharge for wastewater customers were also increased, which will be used to fund EPA-mandated improvements at the wastewater treatment facility. Rate increases for 2023 average 4% across customer classes. Increased rates will support ongoing operations and increased capital maintenance of the water and wastewater system.

Wholesale water rates, which are passed through by the City to customers, are based on rates applied by the DuPage Water Commission. In 2023, the purchased water rate (per 1,000 gallons) increased by 4.1% from \$5.18 to \$5.39 (effective May 1, 2023).

Purchased water expenses for the fiscal year ended December 31, 2023, totaled \$28.6 million and were 51.4% of total operating expenses. Purchased water expenses fluctuate based on customer demand and the wholesale water rate set by the DuPage Water Commission. In 2023, the utility purchased 5.4 billion gallons of water, a decrease of 3.5% from the prior year.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$948.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, IMEA participation rights, and other intangible assets. The City's investment in capital assets increased by \$25.3 million from the prior year due to current-year additions exceeding the depreciation expense for the year.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land and land improvements	\$ 182.5	182.8	18.2	18.2	200.7	201.0
Buliding and building improvements	79.7	76.8	1.8	2.0	81.5	78.8
Machinery and equipment	15.2	15.0	4.8	3.6	20.1	18.5
Infrastructure	193.2	191.1	368.5	367.3	561.7	558.4
Construction in progress	16.3	18.1	38.4	27.3	54.7	45.4
IMEA participation right	-	-	20.0	18.6	20.0	18.6
Intangible assets - equipment	2.8	0.1			2.8	0.1
Intangible assets - software	5.6	2.2	1.4	-	6.9	2.2
Total	495.3	486.0	453.1	437.0	948.4	923.1

The 2022 balances of capital assets were restated to reflect the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

The City implemented GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, for the fiscal year ended December 31, 2023. This resulted in a restatement of 2022 capital asset balances due to the addition of software, which is listed as an intangible asset.

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Debt Administration

For the fiscal year ended December 31, 2023, the City had a total of \$82.5 million of outstanding debt. These issues were all general obligation bonds. The City took on no new debt in 2023 and paid down existing debt according to the established debt schedule. The City maintains a AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

Data as of December 31, 2023, is as follows:

	Amount	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
General Obligation Bonded Debt	\$ 82,494,000	0.99%	\$ 550

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

	Long-Term Debt Outstanding (in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 59,240	69,020	23,254	28,080	82,494	97,100

Additional information on the City's long-term obligations can be found in Note 6 to the financial statements.

Pension and Other Post-Employment Benefits

For the fiscal year ended December 31, 2023, the City had a total pension liability for its three pension funds of \$163.6 million compared to \$218.5 million the prior year. The decrease in net pension liability is largely attributable to investment returns that far exceed actuarial assumptions for the year.

Data as of December 31, 2023, is as follows:

	Net Pension Liability (in Millions)			
	2023		2022	
IMRF*	\$ 19.5	\$ 39.6		
Police Pension	\$ 67.0	\$ 81.6		
Firefighters Pension	\$ 77.1	\$ 97.3		
Total	\$ 163.6	\$ 218.5		

*The IMRF amounts include liabilities for both the City and the Naperville Public Library

For additional information, please refer to Note 9 in the notes to the financial statements.

The City implemented Statement No. 75 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions) effective for fiscal years beginning after June 15, 2017. The total actuarial accrued liability was \$17.2 million on December 31, 2023, compared to \$16.2 million for the prior year. The change is largely attributable to assumption changes in the discount rate and updated healthcare cost trend rates.

For additional information, please refer to Note 10 in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- For 2024, the City budget totals \$613.74 million across all funds, with the General Fund accounting for \$156.35 million of the total budget.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

- Salaries and wages account for \$120.94 million in the annual budget across all funds, an increase of \$6.48 million over 2023. This included a 4.0% merit pool increase for non-union employees. Union wages increased according to contractual agreements. The City added 24 new positions for 2024 across various functions.
- Pensions continue to be an expense that is a significant variable in the City's annual budget. The City's actuarial-required contributions for police and fire pension funds increased by \$456,006, for the 2024 budget year. The City's estimated IMRF contributions decreased by \$44,981 after the City experienced a decrease in its contribution rate to 6.82% for 2024.
- The Human Resources Department continues to actively manage the City's health benefit plans with the assistance of a third-party benefits consultant. The City has enjoyed positive claims experiences in recent years, holding premiums flat for 2024. The 2024 budget includes \$19.6 million in total healthcare costs related to claims and program administration.
- Investments in capital infrastructure continue to be an area of focus and significant financial resources are being allocated. In 2024, capital outlay accounts for almost 22% of the total City budget at \$133.4 million. Areas of significant investment include water, wastewater, and electric utility infrastructure, roads and bridges, public facilities, and technology enhancements.
- As the City continues its investment in capital infrastructure, it is necessary to finance certain improvements through the issuance of debt. The 2024 budget includes estimated bond proceeds totaling \$44 million. Bonds will be issued on a reimbursement basis and actual amounts will be determined as project costs are defined.
- The City Council is committed to maintaining a low property tax rate, which is the primary funding source for pensions, the Naperville Public Library, and Naper Settlement. The levy year 2023 property tax rate for the City is 0.6463, which continues to be one of the lowest rates compared to neighboring communities and the City's lowest rate over the past 50 years.
- Retail sales tax revenue is expected to maintain the strength seen in 2023 and is estimated at \$47.43 million for 2024. Significant factors used in generating the estimate include continued strength in the local economy, steady consumer demand, and price inflation. Home rule sales tax is estimated at \$20.87 million for 2024.
- Real estate transfer taxes are expected to remain lower in 2024 after reaching historic highs in the post-Covid years. The revenue estimate for 2024 has been reduced to \$4.54 million in light of higher mortgage rates.
- The Electric Utility is being challenged by the reality that energy conservation and sustainability initiatives are resulting in lower revenue. The Electric Utility will explore this closely through its next rate study in 2024. The Water Utility will also undergo a rate study in 2024 with the primary goal of funding large capital projects in the coming years.

All these factors were considered in preparing the City's budget and financial plans for 2024.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the City of Naperville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 400 South Eagle St., Naperville, Illinois, 60540.

BASIC FINANCIAL STATEMENTS

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Naperville Library
ASSETS				
Cash and investments	\$ 159,422,946	\$ 44,013,992	\$ 203,436,938	\$ 3,171,492
Receivables (net of allowance for uncollectable)	63,944,972	28,475,936	92,420,908	16,425,273
Internal balances	335,116	(335,116)	-	-
Due from other governments	14,923,929	-	14,923,929	-
Inventories	-	13,640,936	13,640,936	-
Capital assets (net of accumulated depreciation and amortization)				
Capital assets not depreciated nor amortized	197,262,204	56,550,304	253,812,508	-
Capital assets depreciated and amortized, net	298,010,941	376,522,885	674,533,826	7,131,527
IMEA participation right, net	-	20,038,591	20,038,591	-
Total assets	733,900,108	538,907,528	1,272,807,636	26,728,292
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items - IMRF	12,342,745	10,376,604	22,719,349	3,069,386
Deferred items - Police Pension	19,431,369	-	19,431,369	-
Deferred items - Firefighters' Pension	22,094,149	-	22,094,149	-
Deferred items - OPEB	2,957,233	273,050	3,230,283	87,339
Asset retirement obligation	-	415,541	415,541	-
Unamortized refunding loss	1,497,042	655,786	2,152,828	-
Total deferred outflows of resources	58,322,538	11,720,981	70,043,519	3,156,725
Total assets and deferred outflows of resources	792,222,646	550,628,509	1,342,851,155	29,885,017
LIABILITIES				
Accounts payable and other current liabilities	16,882,641	25,500,113	42,382,754	185,785
Accrued interest payable	280,837	103,312	384,149	-
Due to other governments	1,391,302	-	1,391,302	-
Unearned revenue	5,282,041	699,050	5,981,091	-
Long-term liabilities				
Due within one year	12,742,798	4,831,573	17,574,371	71,700
Due in more than one year	241,375,499	34,393,570	275,769,069	3,027,752
Total liabilities	277,955,118	65,527,618	343,482,736	3,285,237
DEFERRED INFLOWS OF RESOURCES				
Deferred items - IMRF	81,211	68,274	149,485	20,196
Deferred items - Police Pension	-	-	-	-
Deferred items - Firefighters' Pension	4,762,931	-	4,762,931	-
Deferred items - OPEB	4,162,370	384,325	4,546,695	122,931
Deferred lease income	4,597,477	83,112	4,680,589	-
Deferred property taxes revenues	42,824,653	-	42,824,653	16,415,000
Total deferred inflows of resources	56,428,642	535,711	56,964,353	16,558,127
Total liabilities and deferred inflows of resources	334,383,760	66,063,329	400,447,089	19,843,364

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2023

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Naperville Library
NET POSITION				
Net investment in capital assets	\$ 424,682,195	\$ 422,721,790	\$ 847,403,985	\$ 7,072,830
Restricted for				
Debt service	10,150,295	-	10,150,295	-
Economic development	164,303	-	164,303	-
Highways, streets, and parking facilities	16,989,497	-	16,989,497	-
Public safety	6,411,357	-	6,411,357	-
Capital projects	53,369	-	53,369	-
Culture and recreation	2,076,165	-	2,076,165	-
Physical environment	25,324	-	25,324	-
Unrestricted (deficit)	<u>(2,713,619)</u>	<u>61,843,390</u>	<u>59,129,771</u>	<u>2,968,823</u>
TOTAL NET POSITION	<u>\$ 457,838,886</u>	<u>\$ 484,565,180</u>	<u>\$ 942,404,066</u>	<u>\$ 10,041,653</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 22,308,410	\$ 7,908,623	\$ -	\$ -
Physical environment	12,576,984	1,932,255	2,714,267	-
Public safety	102,489,186	16,966,939	1,313,568	-
Culture and recreation	9,443,045	467,800	-	-
Transportation	41,334,007	134,385	104,590	6,937,545
Interest on long-term debt	2,096,814	-	-	-
Total governmental activities	190,248,446	27,410,002	4,132,425	6,937,545
Business-Type Activities				
Electric	141,719,994	138,540,612	-	4,196,590
Water and wastewater	67,318,953	75,798,616	-	839,061
Burlington commuter parking	1,252,589	1,069,002	-	-
Solid waste	7,571,786	7,475,656	-	-
Total business-type activities	217,863,322	222,883,886	-	5,035,651
TOTAL PRIMARY GOVERNMENT	\$ 408,111,768	\$ 250,293,888	\$ 4,132,425	\$ 11,973,196
COMPONENT UNIT				
Naperville Public Library	\$ 15,427,059	\$ 242,310	\$ 442,382	\$ -

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Unit
	Governmental Activities	Business-Type Activities	Total	Naperville Public Library
	\$ (14,399,787)	\$ -	\$ (14,399,787)	\$ -
	(7,930,462)	-	(7,930,462)	-
	(84,208,679)	-	(84,208,679)	-
	(8,975,245)	-	(8,975,245)	-
	(34,157,487)	-	(34,157,487)	-
	(2,096,814)	-	(2,096,814)	-
	(151,768,474)	-	(151,768,474)	-
	-	1,017,208	1,017,208	-
	-	9,318,724	9,318,724	-
	-	(183,587)	(183,587)	-
	-	(96,130)	(96,130)	-
	-	10,056,215	10,056,215	-
	(151,768,474)	10,056,215	(141,712,259)	-
	-	-	-	(14,742,367)
General Revenues				
Property taxes	41,745,316	-	41,745,316	15,957,746
Utility taxes	15,184,960	-	15,184,960	-
Real estate transfer taxes	4,027,107	-	4,027,107	-
Food and beverage taxes	7,128,117	-	7,128,117	-
Hotel/motel taxes	1,922,333	-	1,922,333	-
Gas taxes	2,401,044	-	2,401,044	-
Other taxes	1,409,170	-	1,409,170	390,480
Franchise fees	2,655,292	-	2,655,292	-
Intergovernmental - unrestricted				
Sales taxes	72,049,944	-	72,049,944	-
Income taxes	23,884,437	-	23,884,437	-
American Rescue Plan Act grant	13,308,689	-	13,308,689	-
Net investment income	6,978,977	3,059,392	10,038,369	108,850
Miscellaneous	956,720	2,163,735	3,120,455	31,730
Total	193,652,106	5,223,127	198,875,233	16,488,806
CHANGE IN NET POSITION	41,883,632	15,279,342	57,162,974	1,746,439
NET POSITION, JANUARY 1	415,955,254	469,285,838	885,241,092	8,295,214
NET POSITION, DECEMBER 31	\$ 457,838,886	\$ 484,565,180	\$ 942,404,066	\$ 10,041,653

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
ASSETS					
Cash and investments	\$ 72,199,441	\$ 4,662,552	\$ 36,514,542	\$ 35,747,480	\$ 149,124,015
Receivables					
Property taxes	28,383,463	8,286,762	-	6,179,922	42,850,147
Accrued interest	371,067	21,601	152,847	96,482	641,997
Accounts receivable less allowance for doubtful accounts	7,548,800	-	5,500,926	2,409,445	15,459,171
Loans and installments	218	-	-	-	218
Leases	2,275,953	-	-	2,378,894	4,654,847
Due from other funds	335,116	-	-	-	335,116
Advances to other funds	512,402	-	-	-	512,402
Due from other governments	12,889,550	-	321,581	1,712,798	14,923,929
TOTAL ASSETS	\$ 124,516,010	\$ 12,970,915	\$ 42,489,896	\$ 48,525,021	\$ 228,501,842
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 6,480,341	\$ -	\$ 2,656,197	\$ 1,441,661	\$ 10,578,199
Accrued wages and benefits	1,506,671	-	-	90,539	1,597,210
Due to other governmental agencies	1,241,920	-	-	149,382	1,391,302
Advances from other funds	-	-	-	512,402	512,402
Deposits	3,898,219	-	175,750	-	4,073,969
Unearned grant revenues and others	986,851	-	4,086,822	202,667	5,276,340
Total liabilities	14,114,002	-	6,918,769	2,396,651	23,429,422
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leases	2,241,714	-	-	2,355,763	4,597,477
Unavailable revenue - property taxes	28,383,463	8,286,762	-	6,154,428	42,824,653
Total deferred inflows of resources	30,625,177	8,286,762	-	8,510,191	47,422,130
Total liabilities and deferred inflows of resources	44,739,179	8,286,762	6,918,769	10,906,842	70,851,552
FUND BALANCES					
Nonspendable					
Loans	218	-	-	-	218
Advances	512,402	-	-	-	512,402
Restricted for					
Debt service	-	-	-	10,150,295	10,150,295
Economic development	-	-	-	164,303	164,303
Highways, streets, and parking facilities	-	-	-	16,989,497	16,989,497
Public safety	217,306	-	-	6,194,051	6,411,357
Capital projects	-	-	-	53,369	53,369
Culture and recreation	-	-	-	2,076,165	2,076,165
Physical environment	-	-	-	25,324	25,324
Committed to					
Highways, streets, and parking facilities	-	-	-	2,477,577	2,477,577
Assigned to					
Debt service	-	4,684,153	-	-	4,684,153
Capital projects	-	-	35,571,127	-	35,571,127
Unassigned (deficit)	79,046,905	-	-	(512,402)	78,534,503
Total fund balances	79,776,831	4,684,153	35,571,127	37,618,179	157,650,290
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 124,516,010	\$ 12,970,915	\$ 42,489,896	\$ 48,525,021	\$ 228,501,842

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 157,650,290
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>	495,273,145
<p>Deferred outflows (inflows) of resources related to the pensions not reported in the funds</p>	
Deferred items - IMRF	\$ 12,261,534
Deferred items - Police Pension	19,431,369
Deferred items - Firefighters' Pension	17,331,218
Deferred items - OPEB	<u>(1,205,137)</u>
	47,818,984
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position</p>	
Accrued interest payable	(280,837)
Deferred loss on refunding	1,497,042
Net pension liability	
IMRF	(9,346,175)
Police Pension	(66,995,760)
Firefighters' Pension	(77,050,846)
Compensated absences	(7,822,858)
OPEB liability	(15,368,816)
Leases payable	(2,637,855)
SBITAs payable	(5,056,380)
General obligation debt	<u>(63,170,166)</u>
Total long-term liabilities	(247,448,856)
<p>Internal service funds are used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position</p>	
	<u>3,329,118</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 457,838,886</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
REVENUES					
Property taxes	\$ 26,982,970	\$ 8,183,316	\$ -	\$ 6,579,030	\$ 41,745,316
Utility tax	15,184,960	-	-	-	15,184,960
Other taxes	7,253,453	-	-	9,634,318	16,887,771
Licenses and permits	2,262,761	-	-	63,044	2,325,805
Fines and forfeits	1,254,522	-	-	69,095	1,323,617
Net investment income	3,279,753	328,993	1,599,218	1,771,013	6,978,977
Contributions	-	-	2,007,404	2,246	2,009,650
Intergovernmental	77,285,272	-	18,133,847	22,654,533	118,073,652
Charges for services	16,820,749	-	-	7,169,569	23,990,318
Fees	2,655,292	-	-	-	2,655,292
Miscellaneous revenues	551,440	-	393,989	11,291	956,720
Total revenues	153,531,172	8,512,309	22,134,458	47,954,139	232,132,078
EXPENDITURES					
Current					
General government	20,394,966	-	-	111,342	20,506,308
Physical environment	8,996,301	-	-	706,863	9,703,164
Public safety	90,691,680	-	-	5,841,204	96,532,884
Culture and recreation	63,784	-	-	8,383,219	8,447,003
Transportation	21,245,040	-	-	4,066,748	25,311,788
Capital outlay	-	-	16,909,072	22,090,790	38,999,862
Debt service					
Principal	1,702,556	9,509,700	446,061	292,209	11,950,526
Interest and fees	25,179	2,211,867	-	26,260	2,263,306
Total expenditures	143,119,506	11,721,567	17,355,133	41,518,635	213,714,841
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,411,666	(3,209,258)	4,779,325	6,435,504	18,417,237
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,776,549	23,695	1,668,239	4,468,483
Transfers (out)	(1,668,239)	-	-	(2,800,244)	(4,468,483)
Note issuance	121,966	-	2,772,499	-	2,894,465
SBITA issuance	3,992,052	-	663,412	-	4,655,464
Total other financing sources (uses)	2,445,779	2,776,549	3,459,606	(1,132,005)	7,549,929
NET CHANGE IN FUND BALANCES	12,857,445	(432,709)	8,238,931	5,303,499	25,967,166
FUND BALANCES, JANUARY 1	66,919,386	5,116,862	27,332,196	32,314,680	131,683,124
FUND BALANCES, DECEMBER 31	\$ 79,776,831	\$ 4,684,153	\$ 35,571,127	\$ 37,618,179	\$ 157,650,290

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 25,967,166
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation in the current period</p>		
Capital outlays	\$ 29,165,350	
Depreciation and amortization	<u>(19,920,830)</u>	9,244,520
<p>Deferred outflows (inflows) of resources related to the pensions not reported in the funds</p>		
Change in deferred items - IMRF	(5,303,561)	
Change in deferred items - Police Pension	(15,884,944)	
Change in deferred items - Firefighters' Pension	(21,923,315)	
Change in deferred items - OPEB	<u>485,610</u>	(42,626,210)
<p>The issuance of long-term debt (e.g., bond, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items</p>		
Proceeds from SBITAs issued	(4,655,464)	
Proceeds from notes payable issued	(2,894,465)	
Principal repayments - G.O. Bonds, leases payable, SBITAs payable	11,950,526	
Change in unamortized premium	461,275	
Change in loss on refunding	<u>(198,391)</u>	4,663,481
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>		
Decrease in net pension liability		
IMRF	10,061,113	
Police Pension	14,611,504	
Firefighters' Pension	20,205,780	
Decrease in accrued interest payable	(96,392)	
Increase in compensated absences	(7,645)	
Increase in other postemployment benefit obligation	<u>(985,410)</u>	43,788,950
<p>Internal service funds are used by management to charge the costs of information technology, fleet services, vehicle replacement, and self-insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities</p>		
		<u>845,725</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 41,883,632

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Self- Insurance Fund
CURRENT ASSETS					
Cash and investments	\$ 19,159,286	\$ 22,402,778	\$ 2,451,928	\$ 44,013,992	\$ 10,298,931
Receivables					
Accrued interest	122,108	157,073	11,290	290,471	40,906
Accounts receivable less allowance for doubtful accounts	16,956,351	4,569,474	615,100	22,140,925	297,686
Leases	-	83,577	-	83,577	-
Other receivables	687,665	4,803,771	-	5,491,436	-
Inventory	12,386,815	1,254,121	-	13,640,936	-
Total current assets	49,312,225	33,270,794	3,078,318	85,661,337	10,637,523
NONCURRENT ASSETS					
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	15,466,546	29,288,902	11,794,856	56,550,304	-
Capital assets depreciated, net	181,051,678	194,627,662	843,545	376,522,885	-
Net capital assets	196,518,224	223,916,564	12,638,401	433,073,189	-
Installments receivable	469,527	-	-	469,527	-
Intangible assets (net of accumulated amortization)					
IMEA participation right	20,038,591	-	-	20,038,591	-
Total noncurrent assets	217,026,342	223,916,564	12,638,401	453,581,307	-
Total assets	266,338,567	257,187,358	15,716,719	539,242,644	10,637,523
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items - IMRF	6,472,239	3,904,365	-	10,376,604	-
Deferred items - OPEB	126,186	146,864	-	273,050	-
Unamortized refunding loss	390,736	265,050	-	655,786	-
Asset retirement obligation	-	415,541	-	415,541	-
Total deferred outflows of resources	6,989,161	4,731,820	-	11,720,981	-
Total assets and deferred outflows of resources	273,327,728	261,919,178	15,716,719	550,963,625	10,637,523

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water and	Nonmajor	Total	Activities -
	Utility	Wastewater	Enterprise		Internal
Fund	Utility Fund	Funds		Service	Self-
					Insurance
					Fund
CURRENT LIABILITIES					
Accounts payable	\$ 10,339,224	\$ 6,669,880	\$ 662,763	\$ 17,671,867	\$ 621,849
Accrued wages and benefits payable	372,772	293,827	11,031	677,630	11,414
Accrued interest payable	43,515	59,797	-	103,312	-
Compensated absences - current portion	169,007	123,655	-	292,662	-
Deposits	7,005,983	143,868	765	7,150,616	-
Claims and judgments	-	-	-	-	793,909
Due to other funds	-	-	335,116	335,116	-
Unearned revenue	666,775	32,275	-	699,050	5,701
SBITA payable - current portion	319,542	108,410	-	427,952	-
General obligation bonds payable - current portion	1,987,450	2,040,000	-	4,027,450	-
OPEB liability - current portion	38,592	44,917	-	83,509	-
Total current liabilities	20,942,860	9,516,629	1,009,675	31,469,164	1,432,873
NONCURRENT LIABILITIES					
General obligation bonds payable	5,547,416	16,529,543	-	22,076,959	-
Compensated absences	1,038,185	759,597	-	1,797,782	-
Claims and judgments	-	-	-	-	5,875,532
SBITA payable	610,307	257,551	-	867,858	-
Net pension liability - IMRF	4,900,911	2,956,463	-	7,857,374	-
OPEB liability	617,201	718,340	-	1,335,541	-
Asset retirement obligation	-	458,056	-	458,056	-
Total noncurrent liabilities	12,714,020	21,679,550	-	34,393,570	5,875,532
Total liabilities	33,656,880	31,196,179	1,009,675	65,862,734	7,308,405
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - leases	-	83,112	-	83,112	-
Deferred items - IMRF	42,585	25,689	-	68,274	-
Deferred items - OPEB	177,611	206,714	-	384,325	-
Total deferred inflows of resources	220,196	315,515	-	535,711	-
Total liabilities and deferred inflows of resources	33,877,076	31,511,694	1,009,675	66,398,445	7,308,405
NET POSITION					
Net investment in capital assets	207,163,677	202,919,712	12,638,401	422,721,790	-
Unrestricted	32,286,975	27,487,772	2,068,643	61,843,390	3,329,118
TOTAL NET POSITION	\$ 239,450,652	\$ 230,407,484	\$ 14,707,044	\$ 484,565,180	\$ 3,329,118

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds		Activities - Internal Service Self- Insurance Fund
OPERATING REVENUES					
Charges for services	\$ 138,540,612	\$ 75,798,616	\$ 8,544,658	\$ 222,883,886	\$ 27,703,081
Miscellaneous	1,519,849	643,886	-	2,163,735	-
Total operating revenues	140,060,461	76,442,502	8,544,658	225,047,621	27,703,081
OPERATING EXPENSES					
Purchased power	95,969,192	-	-	95,969,192	-
Purchased water	-	28,631,447	-	28,631,447	-
Operations	13,123,665	17,295,680	8,705,538	39,124,883	-
Distribution	3,281,393	3,136,902	-	6,418,295	-
Other operating expenses	15,997,719	6,683,023	-	22,680,742	27,285,343
Total operating expenses	128,371,969	55,747,052	8,705,538	192,824,559	27,285,343
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	11,688,492	20,695,450	(160,880)	32,223,062	417,738
Depreciation and amortization	(13,160,076)	(11,041,966)	(118,837)	(24,320,879)	-
OPERATING INCOME (LOSS)	(1,471,584)	9,653,484	(279,717)	7,902,183	417,738
NON-OPERATING REVENUES (EXPENSES)					
Net investment income	1,247,887	1,693,379	118,126	3,059,392	427,987
Interest expense	(187,949)	(529,935)	-	(717,884)	-
Total non-operating revenues (expenses)	1,059,938	1,163,444	118,126	2,341,508	427,987
NET INCOME (LOSS) BEFORE CAPITAL FEES	(411,646)	10,816,928	(161,591)	10,243,691	845,725
CAPITAL FEES	4,196,590	839,061	-	5,035,651	-
CHANGE IN NET POSITION	3,784,944	11,655,989	(161,591)	15,279,342	845,725
NET POSITION, JANUARY 1	235,665,708	218,751,495	14,868,635	469,285,838	2,483,393
NET POSITION, DECEMBER 31	\$ 239,450,652	\$ 230,407,484	\$ 14,707,044	\$ 484,565,180	\$ 3,329,118

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds		Activities - Internal Service
					Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 140,453,123	\$ 75,787,432	\$ 8,502,579	\$ 224,743,134	\$ -
Receipts from interfund services provided	-	-	-	-	27,424,596
Payments to other funds	(1,439,232)	(1,614,881)	-	(3,054,113)	-
Payments to suppliers	(118,478,219)	(45,797,049)	(8,173,989)	(172,449,257)	(24,126,446)
Payments to employees	(17,158,076)	(11,832,948)	(529,327)	(29,520,351)	(480,078)
Net cash from operating activities	3,377,596	16,542,554	(200,737)	19,719,413	2,818,072
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to/from other funds	-	-	88,327	88,327	-
Net cash from noncapital financing activities	-	-	88,327	88,327	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital and intangible assets	(15,847,686)	(19,138,060)	-	(34,985,746)	-
Payments of bond principal	(2,200,300)	(2,625,000)	-	(4,825,300)	-
Payments of SBITA principal	(349,019)	(127,207)	-	(476,226)	-
Payment of bond interest	(336,851)	(714,039)	-	(1,050,890)	-
Capital fees	4,196,590	839,061	-	5,035,651	-
Net cash from capital and related financing activities	(14,537,266)	(21,765,245)	-	(36,302,511)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment sales or maturities	9,957,635	12,808,934	920,676	23,687,245	3,335,759
Investment purchases	(9,197,910)	(11,831,667)	(815,121)	(21,844,698)	(2,953,318)
Net interest received	516,780	700,872	11,437	1,229,089	28,324
Net cash from investing activities	1,276,505	1,678,139	116,992	3,071,636	410,765
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,883,165)	(3,544,552)	4,582	(13,423,135)	3,228,837
CASH AND CASH EQUIVALENTS, JANUARY 1	29,042,451	25,947,330	2,447,346	57,437,127	7,070,094
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 19,159,286	\$ 22,402,778	\$ 2,451,928	\$ 44,013,992	\$ 10,298,931

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds		Activities - Internal Service Self-Insurance Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (1,471,584)	\$ 9,653,484	\$ (279,717)	\$ 7,902,183	\$ 417,738
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization expense	13,160,076	11,041,966	118,837	24,320,879	-
(Increase) decrease in assets and deferred outflows of resources	(2,808,794)	1,385,862	(42,079)	(1,465,011)	(284,186)
Increase (decrease) in liabilities and deferred inflows of resources	(5,502,102)	(5,538,758)	2,222	(11,038,638)	2,684,520
Total adjustments	4,849,180	6,889,070	78,980	11,817,230	2,400,334
NET CASH FROM OPERATING ACTIVITIES	\$ 3,377,596	\$ 16,542,554	\$ (200,737)	\$ 19,719,413	\$ 2,818,072
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets acquired through accounts payable	\$ 1,319,159	\$ 2,326,398	\$ -	\$ 3,645,557	\$ -
Capital assets acquired through SBITAs	1,278,868	493,168	-	1,772,036	-
Unrealized gains	759,725	977,267	108,405	1,845,397	254,504
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 3,357,752	\$ 3,796,833	\$ 108,405	\$ 7,262,990	\$ 254,504

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

December 31, 2023

ASSETS

Cash and short-term investments	<u>\$ 1,881,810</u>
Investments held in Illinois	
Firefighters' Pension Investment Fund	241,826,049
Investments held in Illinois	
Police Officers' Pension Investment Fund	<u>244,193,534</u>
Total investments	<u>486,019,583</u>
Due from municipality	56,714
Prepaid items	<u>12,359</u>
Total assets	487,970,466

LIABILITIES

Accounts payable	<u>11,223</u>
------------------	---------------

NET POSITION RESTRICTED FOR PENSIONS

\$ 487,959,243

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2023

ADDITIONS

Contributions	
Employer	\$ 19,468,382
Employee	4,223,818
Other	<u>499,000</u>
Total contributions	<u>24,191,200</u>
Investment income	
Net appreciation in fair value of investments	56,400,870
Interest and dividends	<u>5,468,415</u>
Total investment income	61,869,285
Less investment expense	<u>575,024</u>
Net investment income	<u>61,294,261</u>
Other income	<u>274</u>
Total additions	<u>85,485,735</u>

DEDUCTIONS

Pension benefits	25,611,032
Refunds of contributions	264,228
Administrative expense	<u>151,398</u>
Total deductions	<u>26,026,658</u>

NET INCREASE 59,459,077

NET POSITION RESTRICTED FOR PENSIONS

January 1	<u>428,500,166</u>
December 31	<u>\$ 487,959,243</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Naperville, Illinois (the City) was incorporated in 1857. The City is a home-rule community operating under a council-manager form of government. The City Council is comprised of the Mayor and eight council members. The City provides services to the community which includes: police, fire, electric utility, water and wastewater utility, community development, street maintenance, refuse and recycling, transportation planning, and general services. The following significant accounting policies apply to the City and its component unit, the Naperville Public Library.

a. Reporting Entity

The City follows accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government and there is a potential to provide specific financial benefits or to impose specific financial burdens.

The accompanying financial statements present the City of Naperville, Illinois (the primary government) and its component units. The financial data of the component unit is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended Component Unit

A blended component unit is a legally separate entity from the City, but is so intertwined with the City that it is, in substance, the same as the City. The City has no blended component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Discretely Presented Component Unit

A discretely presented component unit is an entity that is legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The City's discretely presented component unit is reported in a separate column to emphasize that it is legally separate from the City.

Naperville Public Library (the Library) - The Library is governed by a nine-member Board of Trustees appointed by the City's Mayor. The Library is financially accountable to the City as the City's approval is needed for the levy of property taxes for the Library operations and to issue bonded debt on behalf of the Library. Separately audited financial statements of the Library are not available.

Fiduciary Component Units

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected by pension beneficiaries, and two elected police employees constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS issues a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Fiduciary Component Units (Continued)

Firefighters' Pension Employees Retirement System (Continued)

which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS issues a stand-alone financial report.

b. Basis of Presentation

Government-Wide Financial Statements - The government-wide statement of net position and statement of activities report the overall financial activity of the City and its component units, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. Interfund services provided and used are not eliminated on these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Additionally, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) fines, fees, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses include all expenses directly related to providing enterprise fund services. Incidental expenses are reported as non-operating expenses.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Debt Service Fund - This fund is funded by a property tax restricted to the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds.

Capital Projects Fund - This fund is used to account for major capital improvement projects on an as needed basis. Yearly transfers from the other funds are done for funding of capital improvement projects.

The City reports the following major proprietary funds:

Electric Utility Fund - This fund accounts for the City's electric transmission and distribution operations.

Water and Wastewater Utility Fund - This fund accounts for the City's water and sewerage operations. The City operates the sewerage treatment plant, sewerage pumping stations, collection systems, and the water distribution system.

Additionally, the City reports the following fund types:

Internal Service Fund - This fund account for self-insurance services that are provided to other departments of the City on a cost-reimbursement basis.

Pension Trust Funds - These funds account for the accumulation of retirement and disability benefits for police and firefighters' pension plans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2022 levy is recognized as revenue for the fiscal year ended December 31, 2023. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except for property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year for the year intended to finance. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments are recorded only when payment is due. Compensated absences are recorded only when retirement or separation has occurred. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, acquisitions under leases and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, sales tax, utilities taxes, motor fuel taxes, hotel/motel tax, food and beverage tax, E-911 surcharge, franchise taxes, ambulance fee, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

The City reports unavailable/unearned and deferred revenue on its financial statements. Unavailable/unearned and deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned and deferred revenues also arise when the resources are received by the City before it has a legal claim to them or prior to the provision of services as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow is removed from the financial statements and revenue is recognized.

d. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

e. Investments

State statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; state and local obligations rated within the two highest classifications established by Moody's, Standard & Poor's and Fitch; commercial paper rated AAA 1, 2, or 3; repurchase agreements; non-negotiable certificates of deposits; money market accounts; investment grade corporate bonds defined as any bond rated BBB or better by Standard and Poor's; and pooled investment funds.

The City's investment policy also requires collateral for all deposits unless FDIC coverage is available. The collateral must have a market value of not less than 100% of all deposits. Wheaton Bank & Trust Company holds the collateral in the name of the City of Naperville.

Investments are generally reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs valued using quoted matrix pricing models; Level 3 inputs are significant unobservable inputs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Unbilled Receivables

Estimated sales for electric, water, and wastewater usage prior to December 31, 2023, which are unbilled at year end, are recognized as current year revenue and are included in accounts receivables.

g. Interfund Transactions

The City has the following types of interfund transactions:

Loans - amounts provided with a requirement for repayment. If repayment is expected within one year, interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e., due to other funds) in borrower funds. If repayment is expected in more than one year, the amounts are reported as advances.

Services Provided and Used - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Inventory and Prepaid Items

Inventory, such as spare parts for electric, waterlines, and vehicles, is accounted for using the consumption method and is valued using a weighted average cost. Inventory reported in the governmental funds is not available for appropriation and, therefore, results in nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements.

i. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, traffic controls, drainage systems, and similar items), and IMEA participation right and other intangible assets, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for buildings, building improvements, and equipment, and \$25,000 for infrastructure with an estimated useful life in excess of two years. The capitalization threshold for the Library assets is \$1,000 except for the IT related items which threshold is under \$1,000. Purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, whereas improvements extending the useful lives of the related capital assets are capitalized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Capital assets of the City and the Library (component unit) are depreciated using the straight-line method over the following useful lives:

	Years
Building and building improvements	20-40
Equipment	3-12
Infrastructure	25-50
IMEA participation right	25

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets including equipment and software.

j. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. Using the termination method, the City accrues the earned benefits to the extent it is probable that the benefits will result in termination cash payments. The general fund typically has been used to liquidate the governmental activities compensated absences.

Employees hired prior to June 9, 2001, are eligible to be covered under a traditional vacation and sick leave benefit plan. Vacation leave is tied to years of service, with a minimum of two weeks and a maximum of five weeks. Sick leave benefit days vary from 12 days per year for members of the Fraternal Order of Police Union to 15 days for all other union and non-union employees, except for sworn firefighters working 24-hour shifts. Firefighters earn seven shift days per year each January 1.

Employees hired between June 9, 2001 and July 1, 2011, and existing employees who made a one-time election to switch to a paid time off (PTO) program prior to June 9, 2001, are covered by a combination of PTO and sick leave benefits. PTO days are based upon years of service, with a minimum of 15 PTO days per year, while the amount of sick leave is fixed at ten days per year. Certain unions elected into the PTO plan, while others made it optional for employees hired after June 9, 2001. All sworn firefighters working shifts are not eligible to participate in the PTO plan. Under both plans, the maximum accrual of vacation or PTO is equal to 160% of annual accrued leave.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

Sick leave benefits can accumulate on an unlimited basis for employees in the traditional plan, but are limited to 120 days for those in the PTO plan. Upon retirement, the City cashes out up to 90 days of sick leave for employees as a retirement bonus. Members of the Fraternal Order of Police upon retirement can cash out up to 120 days. For sworn firefighters on shifts, they can cash out up to 42 shift days as a retirement bonus. Library employees may not accumulate sick time beyond one year.

Employees hired after July 1, 2011 are on a PTO plan that eliminated the distinction between vacation and sick leave. The City revised that plan on January 21, 2020. Under the revised PTO plan, vacation leave is based on years of service, with a minimum accrual of 120 hours annually. Sick leave is also provided at 80 hours annually, with a maximum accrual of 480 hours. However, sick leave is not paid out at separation or retirement.

k. Deposits

The City receives deposits from contractors performing work in the City. These deposits are recorded within the General Fund.

l. Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

m. Fund Balance/Net Position

Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position (Continued)

for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's finance director through the approved fund balance policy of the City. Any residual fund balance of the General Fund and any deficits in other funds, if any, are reported as unassigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and then unassigned funds.

The City has a policy to maintain fund balance in the General Fund equal to 20% for the subsequent year's appropriations, net of interfund transfers as of December 31 each year. As noted in GASB Statement No. 54, fund balance policies in the General Fund are reported as unassigned but disclosed in the notes.

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt. None of the restricted net position or restricted fund balance results from enabling legislation adopted by the City except for the fund balance of \$1,496,384 in the Food and Beverage Tax Fund.

n. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The City must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the DuPage and Will County Collectors/Treasurers who remit to the City its share of the collection. Taxes levied for calendar year 2022 were due, payable, and collected in two installments in June and September 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Property Taxes (Continued)

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. Accordingly, the City recognized revenue during the fiscal year ended December 31, 2023 for collections from the calendar year 2022 levy if it was received by year end or within 60 days after year end. Property taxes levied for calendar year 2023, which will be collected in fiscal year 2024, are recorded as receivables and unavailable/deferred revenue.

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

p. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed in the basic financial statements as "cash and investments."

2. DEPOSITS AND INVESTMENTS (Continued)

a. Pension Investment Funds

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

b. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the entity's deposits may not be returned to it. The City's and the Library's investment policies require all uninsured deposits with financial institutions, unless FDIC coverage is available, to be covered by collateral by up to 100%, with the collateral held by an independent third party acting as the City's agent and held in the name of the City and the Library, respectively. The Police Pension Fund and Firefighters' Pension Fund investment policies require that deposits are insured by agencies or instrumentalities of the federal government. At December 31, 2023, the City had \$398,706 in uncollateralized deposits.

The Police Pension Fund and Firefighters' Pension Fund retain all of their available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the fund. The excess of available cash is required to be transferred to IPOPIF or IFPIF for purposes of the long-term investment for the fund.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments

The following table presents the investments of the debt securities of the City and the Library as of December 31, 2023.

City and Library

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	\$ 90,242,940	\$ 10,247,067	\$ 59,101,319	\$ 20,894,554	\$ -
U.S. agency obligations	42,830,449	908,044	10,382,926	8,685,388	22,854,091
Corporate bonds	53,370,498	2,327,526	36,203,026	13,367,872	1,472,074
TOTAL	\$ 186,443,887	\$ 13,482,637	\$ 105,687,271	\$ 42,947,814	\$ 24,326,165

The City has the following recurring fair value measurements as of December 31, 2023:

Investment by Fair Value Level	December 31	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt securities				
U.S. Treasury obligations	\$ 90,242,940	\$ 90,242,940	\$ -	\$ -
U.S. agency obligations	42,830,449	-	42,830,449	-
Corporate bonds	53,370,498	-	53,370,498	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	\$ 186,443,887	\$ 90,242,940	\$ 96,200,947	\$ -

The City categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs (quoted matrix pricing models); and Level 3 inputs are significant unobservable inputs.

The relationship between the City and the investment agent is a direct contractual relationship.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

Investments of the Police Pension Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women, and persons with disabilities.

Investments of the Firefighters' Pension Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Interest Rate Risk - Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, the City invests in mortgage-backed securities. These securities are reported at fair value and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flow from interest payments is reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated. The City invests in mortgage-backed securities to diversify the portfolio and to increase the return while minimizing the extent of risk.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

Through its investment policy, the City manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average duration to no more than four years.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased.

Credit Risk - The City's investment and cash management policy prescribes to the "prudent person" rule, which states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The City limits their exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. The City investment policy also allows investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's; and BBB-by Fitch by at least two of the three rating agencies. However, the City's investment policy does not specifically limit the City to these types of investments. The U.S. agency obligations are rated AAA or not rated and the corporate bonds are rated from AAA to Baa3 at December 31, 2023.

Concentration of Credit Risk - The City's investment policy follows the requirements of the State of Illinois Public Funds Investment Act, which prescribes allowable investment vehicles. No single investment, except those guaranteed by the United States Government, may exceed 5% of the fund's total market value.

Fair Value Measurement - The Police Pension Fund and Firefighters' Pension Fund categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund and Firefighters' Pension Fund held no investments subject to fair value measurement at December 31, 2023.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

Net Asset Value - The Net Asset Value (NAV) of the Police Pension Fund’s pooled investment in IPOPIF was \$241,826,049 at December 31, 2023. Investments in IPOPIF are valued at IPOPIF’s share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2023. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF. The NAV of the Firefighters’ Pension Fund’s pooled investment in IFPIF was \$241,826,049 at December 31, 2023. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF’s share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2023. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Rate of Return - For the year ended December 31, 2023, the annual money-weighted rate of return on Police Pension Fund investments and Firefighters’ Pension Fund investments, net of pension plan investment expense, was 13.70% and 15.37% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3. RECEIVABLES

a. Installment Loans

The outstanding loans that are not expected to be collected within one year of December 31, 2023 are as follows:

	Term	Due	Amount
Electric loans	Various	Various	\$ 469,527

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

A summary of changes in capital assets of the City and the Library for the fiscal year ended December 31, 2023 is as follows:

	Beginning Balances, Restated*	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 19,412,947	\$ -	\$ -	\$ 19,412,947
Land - infrastructure	161,526,935	-	-	161,526,935
Construction in progress	18,138,550	2,955,206	4,771,434	16,322,322
Total capital assets not being depreciated	199,078,432	2,955,206	4,771,434	197,262,204
Tangible capital assets being depreciated				
Land improvements	5,456,271	-	-	5,456,271
Buildings	157,938,011	6,698,674	-	164,636,685
Equipment	70,029,558	3,394,171	419,983	73,003,746
Infrastructure	513,985,922	13,137,557	-	527,123,479
Total tangible capital assets being depreciated	747,409,762	23,230,402	419,983	770,220,181
Intangible capital assets being amortized				
Equipment	97,521	2,894,465	-	2,991,986
Software	2,240,363	4,856,711	-	7,097,074
Total intangible capital assets being amortized	2,337,884	7,751,176	-	10,089,060
Less accumulated depreciation for tangible capital assets				
Land improvements	3,624,631	281,335	-	3,905,966
Buildings	81,165,630	3,760,124	-	84,925,754
Equipment	55,067,715	3,110,292	419,983	57,758,024
Infrastructure	322,916,827	11,040,446	-	333,957,273
Total accumulated depreciation for tangible capital assets	462,774,803	18,192,197	419,983	480,547,017
Less accumulated amortization for intangible capital assets				
Equipment	22,650	186,387	-	209,037
Software	-	1,542,246	-	1,542,246
Total accumulated amortization for intangible capital assets	22,650	1,728,633	-	1,751,283
Total tangible and intangible capital assets being depreciated and amortized, net	286,950,193	11,060,748	-	298,010,941
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 486,028,625	\$ 14,015,954	\$ 4,771,434	\$ 495,273,145

*The beginning balances of capital assets were restated to reflect the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation and amortization expense for governmental activities for the fiscal year ended December 31, 2023 was charged to functions as follows:

General government	\$ 2,589,707
Physical environment	1,992,083
Public safety	1,792,875
Culture and recreation	996,042
Transportation	<u>12,550,123</u>
TOTAL	<u>\$ 19,920,830</u>

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES -				
ELECTRIC UTILITY				
Capital assets not being depreciated				
Land	\$ 3,836,327	\$ -	\$ -	\$ 3,836,327
Construction in progress	9,207,561	3,067,084	644,426	11,630,219
Total capital assets not being depreciated	<u>13,043,888</u>	<u>3,067,084</u>	<u>644,426</u>	<u>15,466,546</u>
Tangible capital assets being depreciated				
Building and building improvements	7,707,096	-	-	7,707,096
Equipment	15,585,635	350,950	-	15,936,585
Infrastructure	435,471,892	11,241,398	-	446,713,290
Total tangible capital assets being depreciated	<u>458,764,623</u>	<u>11,592,348</u>	<u>-</u>	<u>470,356,971</u>
Intangible capital assets being amortized				
IMEA participation right	47,323,558	3,128,777	-	50,452,335
Software	-	1,301,930	-	1,301,930
Total intangible capital assets being amortized	<u>47,323,558</u>	<u>4,430,707</u>	<u>-</u>	<u>51,754,265</u>
Less accumulated depreciation for tangible capital assets				
Building and building improvements	6,192,525	206,218	-	6,398,743
Equipment	14,488,604	164,226	-	14,652,830
Infrastructure	258,450,296	10,781,730	-	269,232,026
Total accumulated depreciation for tangible capital assets	<u>279,131,425</u>	<u>11,152,174</u>	<u>-</u>	<u>290,283,599</u>
Less accumulated amortization for intangible capital assets				
IMEA participation right	28,729,466	1,684,278	-	30,413,744
Software	-	323,624	-	323,624
Total accumulated amortization for intangible capital assets	<u>28,729,466</u>	<u>2,007,902</u>	<u>-</u>	<u>30,737,368</u>
Total tangible and intangible capital assets being depreciated and amortized, net	<u>198,227,290</u>	<u>2,862,979</u>	<u>-</u>	<u>201,090,269</u>
BUSINESS-TYPE ACTIVITIES - ELECTRIC UTILITY CAPITAL ASSETS, NET	<u>\$ 211,271,178</u>	<u>\$ 5,930,063</u>	<u>\$ 644,426</u>	<u>\$ 216,556,815</u>

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES -				
WATER AND WASTEWATER UTILITY				
Capital assets not being depreciated				
Land	\$ 2,565,671	\$ -	\$ -	\$ 2,565,671
Construction in progress	18,047,924	9,079,304	403,997	26,723,231
Total capital assets not being depreciated	20,613,595	9,079,304	403,997	29,288,902
Tangible capital assets being depreciated				
Equipment	13,257,308	1,492,365	-	14,749,673
Infrastructure	480,805,449	11,275,964	-	492,081,413
Total tangible capital assets being depreciated	494,062,757	12,768,329	-	506,831,086
Intangible capital assets being amortized				
Software	-	513,990	-	513,990
Total intangible capital assets being amortized	-	513,990	-	513,990
Less accumulated depreciation for tangible capital assets				
Equipment	11,198,139	354,940	-	11,553,079
Infrastructure	290,477,309	10,570,990	-	301,048,299
Total accumulated depreciation for tangible capital assets	301,675,448	10,925,930	-	312,601,378
Less accumulated amortization for intangible capital assets				
Software	-	116,036	-	116,036
Total accumulated amortization for intangible capital assets	-	116,036	-	116,036
Total tangible and intangible capital assets being depreciated and amortized, net	192,387,309	2,240,353	-	194,627,662
BUSINESS-TYPE ACTIVITIES -				
WATER AND WASTEWATER UTILITY				
CAPITAL ASSETS, NET	\$ 213,000,904	\$ 11,319,657	\$ 403,997	\$ 223,916,564

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES - NONMAJOR ENTERPRISE				
Capital assets not being depreciated				
Land	\$ 11,794,856	\$ -	\$ -	\$ 11,794,856
Total capital assets not being depreciated	11,794,856	-	-	11,794,856
Capital assets being depreciated				
Building and building improvements	6,460,233	-	-	6,460,233
Machinery and equipment	1,420,847	-	-	1,420,847
Total capital assets being depreciated	7,881,080	-	-	7,881,080
Less accumulated depreciation for				
Building and building improvements	5,929,039	46,490	-	5,975,529
Machinery and equipment	989,659	72,347	-	1,062,006
Total accumulated depreciation	6,918,698	118,837	-	7,037,535
Total capital assets being depreciated, net	962,382	(118,837)	-	843,545
Total nonmajor enterprise net capital assets	12,757,238	(118,837)	-	12,638,401
BUSINESS-TYPE ACTIVITIES - NET	\$ 437,029,320	\$ 17,130,883	\$ 1,048,423	\$ 453,111,780
	Beginning Balances	Increases	Decreases	Ending Balances
COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY				
Capital assets being depreciated				
Building and building improvements	\$ 16,853,975	\$ 558,246	\$ -	\$ 17,412,221
Machinery and equipment	2,372,363	185,988	136,323	2,422,028
Total capital assets being depreciated	19,226,338	744,234	136,323	19,834,249
Less accumulated depreciation for				
Building and building improvements	10,263,129	801,614	-	11,064,743
Machinery and equipment	1,684,127	87,805	133,953	1,637,979
Total accumulated depreciation	11,947,256	889,419	133,953	12,702,722
COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY CAPITAL ASSETS, NET	\$ 7,279,082	\$ (145,185)	\$ 2,370	\$ 7,131,527

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND BALANCES AND ACTIVITY

a. Balances Due to/from Other Funds

Balances due to/from other funds at December 31, 2023 were as follows:

Receivable Fund	Payable Fund	Amount
General	Solid Waste Fund	\$ 335,116
TOTAL		\$ 335,116

Balances due from the Solid Waste Fund (Nonmajor Enterprise) to General are to cover cash accounts temporarily overdrawn at year end.

b. Advances

Advances at December 31, 2023 were as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #25 Fund	\$ 291,946
General	Special Service Area #31 Fund	220,456
TOTAL		\$ 512,402

Balances due from Special Service Area #25 (Nonmajor Governmental) and Special Service Area #31 (Nonmajor Governmental) to General are to cover cash accounts overdrawn at year end.

c. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended December 31, 2023 were as follows:

Transfers In	Transfers Out	Amount
Downtown Maintenance Fund	General Fund	\$ 1,668,239
Capital Projects Fund	Special Service Area #30 Fund	5,685
Capital Projects Fund	Special Service Area #34 Fund	18,010
Debt Service Fund	Food and Beverage Fund	2,041,741
Debt Service Fund	Water Street TIF Fund	635,869
Debt Service Fund	Special Service Area #23 Fund	98,939
TOTAL		\$ 4,468,483

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND BALANCES AND ACTIVITY (Continued)

c. Transfers to/from Other Funds (Continued)

The purpose of significant transfers is as follows:

- \$1,668,239 was transferred from the General Fund to the Downtown Maintenance Fund for annual funding. This transfer will not be repaid.
- \$2,041,741 was transferred from the Food and Beverage Fund to the Debt Service Fund for debt service payments. This transfer will not be repaid.
- 635,869 was transferred from the Water Street TIF Fund to the Debt Service Fund for debt service payments. This transfer will not be repaid.

d. Deficit Fund Balances/Net Position

As of December 31, 2023, the following funds had deficit fund balances/net position:

Fund	Deficit
Special Service Area #25	\$ 291,946
Special Service Area #31	220,456
Solid Waste Fund	352,688

6. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt of the City for the fiscal year ended December 31, 2023:

Type of Debt	Beginning Balance, Restated*	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Net pension liability					
IMRF	\$ 19,407,288	\$ -	\$ 10,061,113	\$ 9,346,175	\$ -
Police Pension	81,607,264	-	14,611,504	66,995,760	-
Firefighters' Pension	97,256,626	-	20,205,780	77,050,846	-
Compensated absences	7,815,213	1,101,775	1,094,130	7,822,858	1,095,200
OPEB liability	14,383,406	985,410	-	15,368,816	904,432
General obligation bonds	69,020,500	-	9,779,700	59,240,800	7,922,550
Premium (discount)	4,390,641	-	461,275	3,929,366	-
Leases payable	74,769	2,894,465	331,379	2,637,855	295,190
SBITAs payable*	2,240,363	4,655,464	1,839,447	5,056,380	1,731,517
Claims and judgments	4,036,958	22,692,616	18,860,133	7,869,441	793,909
TOTAL	\$ 300,233,028	\$ 32,329,730	\$ 77,244,461	\$ 255,318,297	\$ 12,742,798

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

Type of Debt	Beginning Balance, Restated*	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES -					
ELECTRIC UTILITY					
Compensated absences	\$ 1,461,612	\$ 49,297	\$ 303,717	\$ 1,207,192	\$ 169,007
IMRF	8,614,841	-	3,713,930	4,900,911	-
OPEB liability	634,749	21,044	-	655,793	38,592
General obligation bonds	8,694,500	-	2,200,300	6,494,200	1,987,450
Premium (discount)	1,277,897	-	237,231	1,040,666	-
SBITAs payable	-	1,278,868	349,019	929,849	319,542
Total electric utility	20,683,599	1,349,209	6,804,197	15,228,611	2,514,591
BUSINESS-TYPE ACTIVITIES -					
WATER AND WASTEWATER UTILITY					
Compensated absences	501,883	451,633	70,264	883,252	123,655
IMRF	6,459,046	-	3,502,583	2,956,463	-
OPEB liability	791,055	-	27,798	763,257	44,917
Asset retirement obligation	458,056	-	-	458,056	-
General obligation bonds	19,385,000	-	2,625,000	16,760,000	2,040,000
Premium (discount)	2,016,124	-	206,581	1,809,543	-
SBITAs payable	-	493,168	127,207	365,961	108,410
Total water and wastewater utility	29,611,164	944,801	6,559,433	23,996,532	2,316,982
TOTAL	\$ 50,294,763	\$ 2,294,010	\$ 13,363,630	\$ 39,225,143	\$ 4,831,573
COMPONENT UNIT -					
NAPERVILLE PUBLIC LIBRARY					
Compensated absences	\$ 331,307	\$ 36,005	\$ 45,962	\$ 321,350	\$ 44,989
IMRF	5,123,873	-	2,799,672	2,324,201	-
OPEB liability	429,428	24,473	-	453,901	26,711
TOTAL	\$ 5,884,608	\$ 60,478	\$ 2,845,634	\$ 3,099,452	\$ 71,700

*The beginning balances of long-term debt were restated to reflect the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*.

The General Fund has typically been used in prior years to liquidate the compensated absences liability, the net pension liabilities, and the other postemployment benefit liability for governmental activities.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

Long-term debt at December 31, 2023 consists of the following:

a. General Obligation Bonds

	Governmental Activities	Business-Type Activities	Total
September 2012, 2% to 4%, due serially through December 1, 2025	\$ 1,545,800	\$ 1,074,200	\$ 2,620,000
July 2013, 3% to 4%, due serially through December 1, 2031	2,420,000	-	2,420,000
May 2014, 2.00% to 3.50%, due serially through December 1, 2032	9,800,000	-	9,800,000
June 2016, 2.00% to 3.50%, due serially through December 1, 2035	22,420,000	4,835,000	27,255,000
November 2017, 3%, due serially through December 1, 2037	5,305,000	-	5,305,000
November 2018, 3.125% to 5%, due serially through December 1, 2038	3,805,000	-	3,805,000
November 2020, 2% to 5%, due serially through December 1, 2040	13,945,000	11,700,000	25,645,000
March 2022, 3% to 4%, due serially through December 1, 2041	-	5,645,000	5,645,000
TOTAL	\$ 59,240,800	\$ 23,254,200	\$ 82,495,000

The annual requirements to amortize all short and long-term general obligation bonds outstanding at December 31, 2023 are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 7,922,550	\$ 1,891,451	\$ 4,027,450	\$ 850,318
2025	7,383,250	1,624,849	3,761,750	685,070
2026	5,810,000	1,374,419	2,370,000	527,450
2027	5,745,000	1,173,319	2,430,000	426,600
2028	5,010,000	984,881	2,500,000	322,950
2029-2033	15,985,000	3,018,005	5,255,000	698,100
2034-2038	9,470,000	949,334	1,735,000	335,850
2039-2041	1,915,000	70,944	1,175,000	71,250
TOTAL	\$ 59,240,800	\$ 11,087,202	\$ 23,254,200	\$ 3,917,588

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

b. Enterprise Fund Commitments

The City has issued the general obligation bonds to fund various Electric and Water/Wastewater capital projects. The proportionate share of the general obligation bond liabilities have been recorded in the respective enterprise funds. The current general obligation bonds issuance amounts were allocated as follows:

Bonds Series	Electric Utility	Water and Wastewater Utility	Governmental Activities	Total
G.O. 2012 Refunding	\$ 1,074,200	\$ -	\$ 1,545,800	\$ 2,620,000
G.O. 2016 Refunding	2,270,000	2,565,000	22,420,000	27,255,000
G.O. 2020 Refunding	3,150,000	8,550,000	13,945,000	25,645,000
G.O. 2022 Refunding	-	5,645,000	-	5,645,000

The general obligation bonds outstanding amount for the enterprise funds at December 31, 2023 is \$23,254,200.

c. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful lives of the water wells are 50 years.

d. Leases Payable

The City entered into a lease arrangement on April 21, 2021 for the right-to-use copiers. Payments of \$1,935 are due in monthly installments through April 20, 2026. Total intangible right-to-use assets acquired under this agreement are \$97,521.

The City entered into a lease arrangement on October 23, 2023 for the right-to-use copiers. Payments of \$2,177 are due in monthly installments through December 22, 2028. Total intangible right-to-use assets acquired under this agreement are \$121,966.

The City entered into a lease arrangement on March 29, 2023 for the right-to-use cardiac equipment. Payments of \$306,339 are due in annual installments through May 31, 2033. Total intangible right-to-use assets acquired under this agreement are \$2,772,499.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

d. Leases Payable (Continued)

Annual debt service to maturity requirements are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2024	\$ 295,190	\$ 60,486
2025	301,822	53,854
2026	291,168	47,095
2027	292,194	40,263
2028	299,187	33,271
2029-2033	1,158,294	67,063
TOTAL	\$ 2,637,855	\$ 302,032

e. Subscriptions (SBITAs) Payable

The City entered into subscription arrangements for public safety software and administrative and financial software. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), the City's SBITA activity is as follows:

The City entered into subscription arrangements for public safety software lasting up to five years. At December 31, 2023, the City reported SBITA assets of \$2,500,975 and liabilities in the amount of \$1,865,994. Principal reduction of \$625,681 was reported for the year ended December 31, 2023.

The City entered into subscription arrangements for administrative and financial software lasting up to five years. At December 31, 2023, the City reported SBITA assets of \$6,412,019 and liabilities in the amount of \$4,486,196. Principal reduction of \$1,689,993 was reported for the year ended December 31, 2023.

Annual debt service to maturity requirements are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,731,517	\$ 133,899	\$ 427,952	\$ 36,074
2025	1,610,786	87,621	456,295	24,219
2026	1,343,650	44,487	377,535	11,578
2027	318,726	8,871	34,028	904
2028	51,701	1,168	-	-
TOTAL	\$ 5,056,380	\$ 276,046	\$ 1,295,810	\$ 72,775

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the Self-Insurance Fund (internal service fund). The Self-Insurance Fund pays all general liability, unemployment and workers' compensation, and auto and collision claims for which the City is held liable. The City has a \$2 million retention limit for general, auto liability, and workers' compensation. In addition, the City carries a policy for excess coverage for general and auto liability of \$10 million.

The City is self-insured for health and dental claims, which are also being accounted for in the Self-Insurance Fund. The City has \$300,000 specific stop loss coverage for PPO and \$200,000 for HMO health claims. The City has a \$2 million retention limit for health and dental claims. The City utilizes a third-party administrator to process the claims. The City reimburses the administrator for the claims plus a processing fee.

The Self-Insurance Fund is supported by payments from the General Fund, Naper Settlement Fund, Electric, Water and Wastewater Utility Funds, Commuter Parking Fund, and the Library (component unit) based upon an estimate of the annual claims and administration costs. In addition, the City has recognized a liability for claims, which were incurred but not reported at year end. At December 31, 2023, this liability totaled \$793,909. The claims liability reported in the Self-Insurance Fund of \$7,869,441 at December 31, 2023 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no significant reductions in insurance coverage from the previous year.

Changes in the Self-Insurance Fund's claims liability amount for the fiscal year ended December 31, 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
CLAIMS LIABILITY, BEGINNING OF YEAR	\$ 4,036,958	\$ 5,044,742
Incurred claims	22,692,616	12,443,858
Claim payments	(18,860,133)	(13,451,642)
CLAIMS LIABILITY, END OF YEAR	<u>\$ 7,869,441</u>	<u>\$ 4,036,958</u>

8. COMMITMENTS AND CONTINGENCIES

DuPage Water Commission

The City is a charter customer, along with 23 other municipalities, of the DuPage Water Commission (the Commission). The Commission is a Joint Action Agency empowered to finance, construct, acquire, and operate a water supply system to serve municipalities to obtain Lake Michigan water from the City of Chicago and distribute it to customers through a comprehensive distribution system. The City began receiving Lake Michigan water in March 1992. Pursuant to its agreement with the Commission, in January 1989, the City began making payments for its portion of certain commission costs in an amount set forth by the Commission. The City has also adjusted its water rates accordingly to cover such costs. The related costs and revenues have been recorded as operating expenses and revenues of the Water and Wastewater Utility (Enterprise) Fund. The Commission has capitalized all costs including financing components associated with the development of the water facility.

Illinois Municipal Electric Agency

The City is a member of the Illinois Municipal Electric Agency (IMEA), a not-for-profit joint action power purchasing agency. The City had not, in the past, purchased power from IMEA. In June 2011, the City began purchasing all of its wholesale power through 2035 from the IMEA.

The City's Power Sales Contract includes a premium adjustment to IMEA to secure additional capacity and energy resources to add to its existing mix of resources in order to be able to service the City. The premium payments to be made to IMEA through 2025 are to offset the projected increase to the average power supply costs to IMEA's 29 existing participating members resulting in acquisition of the resources necessary to serve the City. The projected premium payments are approximately \$61.5 million. The cumulative premium payments through December 31, 2023 are \$50.5 million.

The City's obligation is to purchase its full requirements for power and energy from the IMEA beginning June 1, 2011 and to pay a proportionate share of all IMEA costs.

Naperville Renewable Energy Program

The Naperville Electric Utility's Renewable Energy Program was founded in 2004 to allow residential utility customers to support renewable energy through the purchase of Renewable Energy Certificates (RECs). It was expanded in 2012 to provide renewable energy grants for nonresidential customers. In 2019, the program was further expanded to offer a residential solar grant and implement an educational initiative. In 2020, the utility added energy efficiency grants available to all customers and increased the solar incentive for residential customers. In 2021, the City stopped purchasing RECs, knowing that the greenest watt is the watt not generated. The City now uses Renewable Energy Program funds toward renewable energy grants and energy efficiency projects for residential and nonresidential customers.

8. COMMITMENTS AND CONTINGENCIES (Continued)

Naperville Renewable Energy Program (Continued)

The City holds primary responsibility for the program on behalf of its customers. During fiscal year 2023, the City collected \$0.34 million and due to management efficiencies will make all funds, less minimum administration costs, available through grants to directly fund local community based renewable energy and energy efficiency projects within the City. The fund balance of this subfund of the electric fund at December 31, 2023 is \$0.30 million.

Development Assistance

The City has entered into various agreements with private organizations to encourage economic development in the City. Some of these agreements provide for rebating a portion of sales tax and hotel tax to the private organizations if certain benchmarks of development are achieved. During the year ended December 31, 2023, \$2.23 million in sales tax and \$1.77 million in hotel tax were rebated under these agreements. Subsequent to the end of the 2023 fiscal year, the City reached an agreement with the owners of four hotel developments to extend the expiration of the existing agreements by up to two years. The extensions address the impact of the COVID-19 pandemic on these hotel developments. The remaining \$21.91 million will be payable over the next 18 years or sooner if the rebate thresholds are reached.

Brixmor Heritage Square, LLC - Block 59 Business District

The City, pursuant to a business district redevelopment agreement dated March 24, 2023, has agreed to reimburse the developer (Brixmor Heritage Square, LLC) for certain project costs the developer has incurred in the Block 59 Business District. The redevelopment agreement also contains a provision providing for the issuance of a business district revenue note not to exceed \$13,400,000. The note will be taxable in the par amount of \$13,400,000 payable solely from the business district sales taxes generated within the Block 59 Business District. Interest on the notes shall accrue at a fixed rate of 6%. The City's revenue note shall be issued and interest on the note will begin accruing upon issuance of the certificate of occupancy for the first Project Building and completion of the Events Plaza. Unpaid interest on the note will compound annually. The note matures at the earlier of the expiration of the business district or full payment of the note. As of December 31, 2023, the City had not issued these notes.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 400 South Eagle Street, Naperville, Illinois 60540. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by ILCS and can only be amended by the Illinois General Assembly.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

The table below is a summary for all pension plans as of and for the year ended December 31, 2023:

	IMRF (City Share)	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 17,203,549	\$ 66,995,760	\$ 77,050,846	\$ 161,250,155
Deferred outflows of resources	22,719,349	19,431,369	22,094,149	64,244,867
Deferred inflows of resources	149,485	-	4,762,931	4,912,416
Pension expense/(income)	(4,204,163)	9,967,722	12,491,636	18,255,195

The pension expense (income) recognized for all plans was \$18,255,195 for the City and \$(612,165) for the Library for the year ended December 31, 2023.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	975
Inactive plan members entitled to but not yet receiving benefits	814
Active plan members	<u>829</u>
TOTAL	<u><u>2,618</u></u>

Contributions

As set by statute, the City's RP Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2023 was 7.26% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The City's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	7.25%
Salary increases	2.85% to 13.75%
Cost of living adjustments	3.00%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability - City	\$ 58,097,317	\$ 17,203,549	\$ (15,476,694)
Net pension liability - Library	7,848,954	2,324,201	(2,090,903)
TOTAL	\$ 65,946,271	\$ 19,527,750	\$ (17,567,597)

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT			
JANUARY 1, 2023	\$ 409,215,863	\$ 369,610,815	\$ 39,605,048
Changes for the period			
Service cost	5,653,251	-	5,653,251
Interest	29,077,102	-	29,077,102
Difference between expected and actual experience	4,070,450	-	4,070,450
Changes in assumptions	(244,424)	-	(244,424)
Employer contributions	-	5,034,166	(5,034,166)
Employee contributions	-	3,005,875	(3,005,875)
Net investment income	-	40,541,862	(40,541,862)
Benefit payments and refunds	(21,958,030)	(21,958,030)	-
Other (net transfer)	-	10,051,774	(10,051,774)
Net changes	<u>16,598,349</u>	<u>36,675,647</u>	<u>(20,077,298)</u>
BALANCES AT			
DECEMBER 31, 2023	<u>\$ 425,814,212</u>	<u>\$ 406,286,462</u>	<u>\$ 19,527,750</u>

There were changes in assumptions related to the mortality rate tables compared to the previous valuation.

	City	Library	Total
Beginning net pension			
liability at January 1, 2023	\$ 34,481,175	\$ 5,123,873	\$ 39,605,048
Employer contributions - 2023	4,434,971	599,195	5,034,166
Ending net pension			
liability at December 31, 2023	17,203,549	2,324,201	19,527,750

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended December 31, 2023, the City recognized pension expense (income) of \$(4,204,163) and the Library recognized pension expense (income) of \$(612,165). At December 31, 2023, the City and Library combined report deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 4,868,113	\$ -	\$ 4,868,113
Changes in assumption	-	(169,681)	(169,681)
Net difference between projected and actual earnings on pension plan investments	20,920,622	-	20,920,622
TOTAL	\$ 25,788,735	\$ (169,681)	\$ 25,619,054
	<u>City</u>	<u>Library</u>	<u>Total</u>
Share of deferred outflows	\$ 22,719,349	\$ 3,069,386	\$ 25,788,735
Share of deferred inflows	(149,485)	(20,196)	(169,681)
TOTAL	\$ 22,569,864	\$ 3,049,190	\$ 25,619,054

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF allocated between the City and Library will be recognized in pension expense in future periods as follows:

<u>Fiscal Year</u>	<u>City</u>	<u>Library</u>	<u>Total</u>
2024	\$ 4,745,672	\$ 641,140	\$ 5,386,812
2025	7,423,910	1,002,971	8,426,881
2026	12,846,801	1,735,604	14,582,405
2027	(2,446,519)	(330,525)	(2,777,044)
2028	-	-	-
Thereafter	-	-	-
TOTAL	<u>\$ 22,569,864</u>	<u>\$ 3,049,190</u>	<u>\$ 25,619,054</u>

Police Pension Plan

Plan Administration

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Fund as a pension trust fund. The Police Pension Fund is governed by a five-member pension board. Two members of the Board of Trustees are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership

At December 31, 2023, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	137
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>175</u>
TOTAL	<u><u>322</u></u>

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2023, the City's contribution was 37.19% of covered payroll.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	6.75%
Salary increases	3.00% to 10.00%
Cost of living adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the PubS-2010 Mortality Table projected five years past the valuation date with Scale MP-2021. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2019.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 and December 31, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 112,037,786	\$ 66,995,760	\$ 30,308,993

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 298,848,620	\$ 217,241,356	\$ 81,607,264
Changes for the period			
Service cost	4,378,221	-	4,378,221
Interest	20,023,805	-	20,023,805
Difference between expected and actual experience	913,646	-	913,646
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	8,694,282	(8,694,282)
Employee contributions	-	2,114,393	(2,114,393)
Buy back contributions	499,000	499,000	-
Net investment income	-	29,178,702	(29,178,702)
Benefit payments and refunds	(13,155,753)	(13,155,753)	-
Administrative expense	-	(60,201)	60,201
Net changes	12,658,919	27,270,423	(14,611,504)
BALANCES AT DECEMBER 31, 2023	\$ 311,507,539	\$ 244,511,779	\$ 66,995,760

The plan's fiduciary net position as a percentage of the total pension liability was 78.49% at December 31, 2023.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended December 31, 2023, the City recognized pension expense of \$9,967,722. At December 31, 2023, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 6,068,383	\$ -	\$ 6,068,383
Changes in assumption	3,949,142	-	3,949,142
Net difference between projected and actual earnings on pension plan investments	9,413,844	-	9,413,844
TOTAL	\$ 19,431,369	\$ -	\$ 19,431,369

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2024	\$ 5,839,341
2025	6,530,943
2026	8,374,687
2027	(2,179,993)
2028	735,870
Thereafter	130,521
TOTAL	\$ 19,431,369

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Fund as a pension trust fund. The Firefighters' Pension Fund is governed by a five-member pension board. Two members of the Board of Trustees are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership

At December 31, 2023, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	147
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>187</u>
TOTAL	<u><u>341</u></u>

Benefits Provided

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2023, the City's contribution was 44.87% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	6.75%
Salary increases	3.00% to 9.00%
Cost of living adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the PubS-2010 Mortality Table projected five years past the valuation date with Scale MP-2019. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2019.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 and December 31, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 123,704,706	\$ 77,050,846	\$ 39,072,024

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 308,515,436	\$ 211,258,810	\$ 97,256,626
Changes for the period			
Service cost	5,941,162	-	5,941,162
Interest	20,796,537	-	20,796,537
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,035,319)	-	(2,035,319)
Changes in assumptions	-	-	-
Employer contributions	-	10,774,100	(10,774,101)
Employee contributions	-	2,109,425	(2,109,425)
Net investment income	-	32,115,833	(32,115,830)
Benefit payments and refunds	(12,719,506)	(12,719,507)	-
Administrative expense	-	(91,197)	91,196
Net changes	11,982,874	32,188,654	(20,205,780)
BALANCES AT DECEMBER 31, 2023	\$ 320,498,310	\$ 243,447,464	\$ 77,050,846

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

The plan's fiduciary net position as a percentage of the total pension liability was 75.96% at December 31, 2023.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended December 31, 2023, the City recognized pension expense of \$12,491,636. At December 31, 2023, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 2,802,963	\$ (4,762,931)	\$ (1,959,968)
Changes in assumption	7,643,219	-	7,643,219
Net difference between projected and actual earnings on pension plan investments	11,647,967	-	11,647,967
TOTAL	<u>\$ 22,094,149</u>	<u>\$ (4,762,931)</u>	<u>\$ 17,331,218</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2024	\$ 5,757,858
2025	6,634,127
2026	8,962,765
2027	(2,946,699)
2028	(786,073)
Thereafter	(290,760)
TOTAL	<u>\$ 17,331,218</u>

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described in Note 9, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The activity of the plan is reported in the City's governmental and business-type activities and the Library's governmental activities.

	City	Library	Total
Beginning OPEB liability at January 1, 2023	\$ 15,809,210	\$ 429,428	\$ 16,238,638
Ending OPEB liability at December 31, 2023	16,787,866	453,901	17,241,767

b. Benefits Provided

The City provides continued health insurance coverage at the active employee rates to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance since the retiree does not pay an age adjusted premium. To be eligible for benefits, an employee must qualify for retirement under the City's retirement plan. The benefit levels are the same as those afforded to active employees. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the City's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

c. Membership

At December 31, 2022 (most recent data available), membership consisted of:

Inactive employees currently receiving benefit payments	108
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,170</u>
TOTAL	<u><u>1,278</u></u>
Participating employers	<u><u>1</u></u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The City's total OPEB liability of \$17,241,767 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2023, as determined by an actuarial valuation as of December 31, 2022 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	Varies by service
Discount rate	4.00%
Healthcare cost trend rates	7.50% initial trend rate to 4.00% ultimate trend rate

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at December 31, 2023.

Firefighters' and Police Pension Plan Participants - For healthy lives, the PubS-2010 Mortality table with projection to five years past the valuation date with MP-2020 was used. For disabled lives, the PubS-2010 Disabled Mortality table with projection to five years past the valuation date with MP-2020 was used.

IMRF Participants - For active lives, the PubG-2010 amount-weighted, below-median income table with scale MP-2020 was used. For healthy inactive lives, the PubG-2010 amount-weighted, below-median income, Male (adjusted 106%) and Female (adjusted 105%) table with scale MP-2020 was used. For disabled lives, the PubG-2010 amount-weighted table with scale MP-2020 was used.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2023	<u>\$ 16,238,638</u>
Changes for the period	
Service cost	718,508
Interest	711,080
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	500,846
Benefit payments	<u>(927,305)</u>
Net changes	<u>1,003,129</u>
BALANCES AT DECEMBER 31, 2023	<u><u>\$ 17,241,767</u></u>

Changes in assumptions reflect a change in the discount rate from 4.31% for the reporting period ended December 31, 2022, to 4.00% for the reporting period ended December 31, 2023.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.00% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB liability - City	\$ 18,536,520	\$ 16,787,866	\$ 15,295,230
Total OPEB liability - Library	<u>501,180</u>	<u>453,901</u>	<u>413,544</u>
TOTAL	<u>\$ 19,037,700</u>	<u>\$ 17,241,767</u>	<u>\$ 15,708,774</u>

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.00% to 7.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 6.50%) or 1 percentage point higher (5.00% to 8.50%) than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB Liability - City	\$ 14,820,620	\$ 16,787,866	\$ 19,187,925
Total OPEB Liability - Library	400,712	453,901	518,792
TOTAL	\$ 15,221,332	\$ 17,241,767	\$ 19,706,717

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City and Library recognized OPEB expense of \$436,720 and \$9,587, respectively. At December 31, 2023, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 10,056	\$ (559,641)	\$ (549,585)
Changes in assumption	3,307,566	(4,109,985)	(802,419)
TOTAL	\$ 3,317,622	\$ (4,669,626)	\$ (1,352,004)
	City	Library	Total
Share of deferred outflows	\$ 3,230,283	\$ 87,339	\$ 3,317,622
Share of deferred inflows	(4,546,695)	(122,931)	(4,669,626)
TOTAL	\$ (1,316,412)	\$ (35,592)	\$ (1,352,004)

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31,	City	Library	Total
2024	\$ (54,502)	\$ (1,474)	\$ (55,976)
2025	(54,505)	(1,474)	(55,979)
2026	72,081	1,949	74,030
2027	(95,516)	(2,582)	(98,098)
2028	(670,717)	(18,134)	(688,851)
Thereafter	(513,253)	(13,877)	(527,130)
TOTAL	\$ (1,316,412)	\$ (35,592)	\$ (1,352,004)

11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY

The following is summary fund financial information for the Library for the fiscal year ended December 31, 2023:

Balance Sheet

	General Operating	Special Revenue			Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Total		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and cash equivalents	\$ 1,924,708	\$ 1,202,278	\$ 44,506	\$ 3,171,492	-	\$ 3,171,492
Property taxes receivable, net of allowance for uncollectible accounts	16,415,000	-	-	16,415,000	-	16,415,000
Interest receivable	7,329	2,740	204	10,273	-	10,273
Capital assets (net)						
Capital assets depreciated, net	-	-	-	-	7,131,527	7,131,527
Total assets	18,347,037	1,205,018	44,710	19,596,765	7,131,527	26,728,292
DEFERRED OUTFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	3,069,386	3,069,386
Deferred items - OPEB	-	-	-	-	87,339	87,339
Total deferred outflows of resources	-	-	-	-	3,156,725	3,156,725
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 18,347,037	\$ 1,205,018	\$ 44,710	\$ 19,596,765	\$ 10,288,252	\$ 29,885,017

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY (Continued)

Balance Sheet (Continued)

	General Operating	Special Revenue			Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Total		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION						
LIABILITIES						
Accounts payable	\$ 120,838	\$ -	\$ -	\$ 120,838	\$ -	\$ 120,838
Accrued wages and benefits	64,947	-	-	64,947	-	64,947
Compensated absences	-	-	-	-	321,350	321,350
Net pension liability	-	-	-	-	2,324,201	2,324,201
OPEB liability	-	-	-	-	453,901	453,901
Total liabilities	185,785	-	-	185,785	3,099,452	3,285,237
DEFERRED INFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	20,196	20,196
Deferred items - OPEB	-	-	-	-	122,931	122,931
Unavailable/earned property tax revenue	16,415,000	-	-	16,415,000	-	16,415,000
Total deferred inflows of resources	16,415,000	-	-	16,415,000	143,127	16,558,127
FUND BALANCES/ NET POSITION						
Fund balances						
Committed for culture and recreation	-	1,205,018	44,710	1,249,728	(1,249,728)	-
Unassigned	1,746,252	-	-	1,746,252	(1,746,252)	-
Net position						
Invested in capital assets	-	-	-	-	7,072,830	7,072,830
Unrestricted	-	-	-	-	2,968,823	2,968,823
Total fund balances/ net position	1,746,252	1,205,018	44,710	2,995,980	7,045,673	10,041,653
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION	\$ 18,347,037	\$ 1,205,018	\$ 44,710	\$ 19,596,765	\$ 10,288,252	\$ 29,885,017

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY (Continued)

Statement of Net Position

	General Operating	Special Revenue			Adjustment	Statement of Activities
		Building Reserve	Gift and Memorial	Total		
REVENUES						
Property taxes	\$ 15,957,746	\$ -	\$ -	\$ 15,957,746	\$ -	\$ 15,957,746
Other taxes - personal property replacement tax	390,480	-	-	390,480	-	390,480
Fines and forfeits	54,037	-	-	54,037	-	54,037
Net investment income	78,045	28,668	2,137	108,850	-	108,850
Charges for services	24,566	-	-	24,566	-	24,566
Fees	163,707	-	-	163,707	-	163,707
Contribution	440,572	-	1,810	442,382	-	442,382
Miscellaneous	31,730	-	-	31,730	-	31,730
Total revenues	17,140,883	28,668	3,947	17,173,498	-	17,173,498
EXPENDITURES/EXPENSES						
Current						
Culture and recreation	15,858,876	630,953	1,405	16,491,234	(1,064,175)	15,427,059
Total expenditures/ expenses	15,858,876	630,953	1,405	16,491,234	(1,064,175)	15,427,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,282,007	(602,285)	2,542	682,264	1,064,175	1,746,439
OTHER FINANCING SOURCES (USES)						
Transfers in	-	935,400	-	935,400	(935,400)	-
Transfers (out)	(935,400)	-	-	(935,400)	935,400	-
Total other financing sources (uses)	(935,400)	935,400	-	-	-	-
NET CHANGE IN FUND BALANCES/NET POSITION	346,607	333,115	2,542	682,264	1,064,175	1,746,439
FUND BALANCES/ NET POSITION AT JANUARY 1, 2023	1,399,645	871,903	42,168	2,313,716	5,981,498	8,295,214
FUND BALANCES/ NET POSITION AT DECEMBER 31, 2023	\$ 1,746,252	\$ 1,205,018	\$ 44,710	\$ 2,995,980	\$ 7,045,673	\$ 10,041,653

12. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity is as follows:

The City entered into a lease arrangement on September 30, 2010 to lease DuPage Children's Museum. Payments of \$5,171 are due to the City in monthly installments through October 31, 2060. The lease agreement is noncancelable and maintains an interest rate of 1.541%. During the fiscal year, the City collected \$62,056 and recognized a \$46,736 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$1,743,326 and \$1,721,447, respectively, as of December 31, 2023.

The City entered into a lease arrangement on June 30, 1998 to lease cell tower space. Payments of \$3,450 are due to the City in monthly installments through August 31, 2023. The lease agreement is noncancelable and maintains an interest rate of 0.33%. During the fiscal year, the City collected \$27,600 and recognized a \$27,528 reduction in the related deferred inflow of resources. This lease agreement concluded during the fiscal year ended December 31, 2023, and therefore, no lease receivable or offsetting deferred inflows of resources are remaining.

The City entered into a lease arrangement on September 1, 1998 to lease cell tower space. Payments of \$3,450 are due to the City in monthly installments through August 31, 2023. The lease agreement is noncancelable and maintains an interest rate of 0.33%. During the fiscal year, the City collected \$27,600 and recognized a \$27,528 reduction in the related deferred inflow of resources. This lease agreement concluded during the fiscal year ended December 31, 2023, and therefore, no lease receivable or offsetting deferred inflows of resources are remaining.

The City entered into a lease arrangement on December 2, 2008 to lease cell tower space. Payments of \$3,663 with annual percentage increases of 4% are due to the City in monthly installments through November 30, 2023. The lease agreement is noncancelable and maintains an interest rate of 0.33%. During the fiscal year, the City collected \$41,907 and recognized a \$40,940 reduction in the related deferred inflow of resources. This lease agreement concluded during the fiscal year ended December 31, 2023, and therefore, no lease receivable or offsetting deferred inflows of resources are remaining.

The City entered into a lease arrangement on May 3, 2019 to lease Trillium Fuel Station land. Payments of \$1,500 with annual Consumer Price Index (CPI) increases are due to the City in monthly installments through May 2, 2029. The lease agreement is noncancelable and maintains an interest rate of 0.978%. During the fiscal year, the City collected \$18,000 and recognized a \$17,360 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$94,925 and \$93,855, respectively, as of December 31, 2023.

12. LESSOR DISCLOSURES (Continued)

The City entered into a lease arrangement on January 18, 1994 to lease cell tower space. Payments of \$11,000 are due in annual installments beginning on January 17, 2024 through January 17, 2026. The lease agreement is noncancelable and maintains an interest rate of 0.426%. During the fiscal year, the City did not collect any payments and recognized a \$10,813 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$21,764 and \$22,137, respectively, as of December 31, 2023.

The City entered into a lease arrangement on September 20, 2005 to lease cell tower space. Payments of \$3,992 with annual fixed increases are due to the City in monthly installments through May 31, 2030. The lease agreement is noncancelable and maintains an interest rate of 0.426%. During the fiscal year, the City collected \$50,207 and recognized a \$53,508 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$354,699 and \$343,343, respectively, as of December 31, 2023.

The City entered into a lease arrangement on September 21, 2005 to lease cell tower space. Payments of \$2,798 with annual percentage increases of 15% are due to the City in monthly installments through October 31, 2025. The lease agreement is noncancelable and maintains an interest rate of 0.552%. During the fiscal year, the City collected \$33,581 and recognized a \$33,236 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$61,241 and \$60,932, respectively, as of December 31, 2023.

The City entered into a lease arrangement on August 30, 2000 to lease cell tower space. Payments of \$4,198 are due in monthly installments to the City through August 29, 2025. The lease agreement is noncancelable and maintains an interest rate of 0.512%. During the fiscal year, the City collected \$50,371 and recognized a \$49,950 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$83,577 and \$83,112, respectively, as of December 31, 2023.

The City entered into a lease arrangement on June 20, 2006 to lease a parking lot. Payments of \$3,250 are due in quarterly installments to the City through June 19, 2026. The lease agreement is noncancelable and maintains an interest rate of 0.552%. During the fiscal year, the City collected \$13,000 and recognized a \$12,210 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$29,049 and \$30,151, respectively, as of December 31, 2023.

The City entered into a lease arrangement on March 31, 2015 to lease a parking tower. Payments of \$29,229 are due in quarterly installments to the City through December 31, 2047. The lease agreement is noncancelable and maintains an interest rate of 1.511%. During the fiscal year, the City collected \$116,917 and recognized a \$96,901 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$2,349,843 and \$2,325,612, respectively, as of December 31, 2023.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended December 31, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. With the implementation, the City is required to record the beginning net position/fund balance associated with the intangible right-to-use software and related liability.

The beginning net position of the following opinion units have been restated to reflect the new guidance as follows:

Governmental Activities

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 415,955,254</u>
Recording of SBITA liability	(2,240,363)
Recording of intangible right-to-use software	<u>2,240,363</u>
Total net restatement	<u>-</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 415,955,254</u>

14. SUBSEQUENT EVENT

On May 28, 2024, the City issued \$19,145,000 General Obligation Bonds Series 2024 for the purpose of paying capital construction costs.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 26,996,457	\$ 26,996,457	\$ 26,982,970	\$ (13,487)
Utility tax	15,618,000	15,618,000	15,184,960	(433,040)
Other taxes	10,269,950	10,269,950	7,253,453	(3,016,497)
Licenses and permits	2,541,625	2,541,625	2,262,761	(278,864)
Fines	1,094,500	1,094,500	1,254,522	160,022
Net investment income (loss)	(70,679)	(70,679)	3,279,753	3,350,432
Intergovernmental	72,848,349	72,848,349	77,285,272	4,436,923
Charges for services	16,942,012	16,942,012	16,820,749	(121,263)
Franchise fees	3,048,840	3,048,840	2,655,292	(393,548)
Miscellaneous	386,000	386,000	551,440	165,440
	<hr/>			
Total revenues	149,675,054	149,675,054	153,531,172	3,856,118
EXPENDITURES				
Current				
General government	20,795,005	21,295,005	20,394,966	900,039
Physical environment	10,052,620	10,052,620	8,996,301	1,056,319
Public safety	89,419,539	89,594,539	90,691,680	(1,097,141)
Transportation	23,772,364	23,772,364	21,245,040	2,527,324
Culture and recreation	98,233	98,233	63,784	34,449
Debt service				
Principal	-	-	1,702,556	(1,702,556)
Interest and fees	-	-	25,179	(25,179)
	<hr/>			
Total expenditures	144,137,761	144,812,761	143,119,506	1,693,255
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	5,537,293	4,862,293	10,411,666	5,549,373
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,668,239)	(1,668,239)	(1,668,239)	-
Note issuance	-	-	121,966	121,966
SBITA issuance	-	-	3,992,052	3,992,052
	<hr/>			
Total other financing sources (uses)	(1,668,239)	(1,668,239)	2,445,779	4,114,018
NET CHANGE IN FUND BALANCE				
	<u>\$ 3,869,054</u>	<u>\$ 3,194,054</u>	12,857,445	<u>\$ 9,663,391</u>
FUND BALANCE, JANUARY 1			<u>66,919,386</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 79,776,831</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY COMPARISON SCHEDULE**

December 31, 2023

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds except for the Fair Share Assessment Fund, the SSA#35 Fund, the Heinen Business District Fund and the Block 59 Business District Fund. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end. No budget amendments were made during the current fiscal year.

During the year ended December 31, 2023, expenditures exceeded budget in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>
Food and Beverage Tax	\$ 4,029,907	\$ 4,054,931
Motor Fuel Tax	7,600,000	7,825,610
CDBG	535,000	706,863

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923	\$ 6,266,110	\$ 6,825,231	\$ 5,356,176	\$ 5,034,166
Contributions in relation to the actuarially determined contribution	6,026,372	6,217,283	6,233,486	6,037,819	5,155,923	6,266,110	6,825,231	5,356,176	5,034,166
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933	\$ 56,081,457	\$ 59,432,005	\$ 60,878,390	\$ 63,776,012
Contributions as a percentage of covered payroll	11.72%	12.08%	11.82%	11.41%	9.56%	11.17%	11.48%	8.80%	7.89%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	20 years
Asset valuation method	Five-year smoothed market
Inflation	2.25%
Salary increases	2.75% to 13.75%
Investment rate of return	7.25%
Retirement age	See the notes to financial statements
Mortality	See the notes to financial statements

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,								
	2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 5,156,419	\$ 4,809,036	\$ 5,829,394	\$ 6,538,474	\$ 7,129,194	\$ 7,043,970	\$ 7,290,728	\$ 7,814,816	\$ 8,089,611	\$ 7,935,181
Contributions in relation to the actuarially determined contribution	5,156,419	4,809,036	5,829,394	6,538,474	7,129,194	7,043,970	7,290,728	7,814,816	8,089,611	7,935,181
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	\$ 484,761	\$ 536,397	\$ 500,194	\$ 139,333	\$ 95,127	\$ 92,532	\$ 1,000	\$ 70,459	\$ 173,112	\$ 759,101
Total contributions	\$ 5,641,180	\$ 5,345,433	\$ 6,329,588	\$ 6,677,807	\$ 7,224,321	\$ 7,136,502	\$ 7,291,728	\$ 7,885,275	\$ 8,262,723	\$ 8,694,282
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726	\$ 19,141,544	\$ 21,315,055	\$ 20,844,894	\$ 21,335,954
Contributions as a percentage of covered payroll	31.51%	28.83%	32.58%	36.22%	40.06%	37.48%	38.09%	36.66%	38.81%	37.19%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	12 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.75%
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service
Mortality	PubS-2010, projected five years past the valuation date with Scale MP-2021

*The City changed its fiscal year from April 30 to December 31, 2015.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,								
	2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 5,183,001	\$ 4,820,338	\$ 5,871,947	\$ 7,237,440	\$ 8,896,264	\$ 8,939,980	\$ 9,711,228	\$ 10,255,249	\$ 10,619,200	\$ 10,011,276
Contributions in relation to the actuarially determined contribution	5,183,001	4,820,338	5,871,947	7,237,440	8,896,264	8,939,980	9,711,228	10,255,249	10,619,200	10,011,276
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	\$ 487,038	\$ 535,385	\$ 543,549	\$ 100,760	\$ 107,960	\$ 110,126	\$ -	\$ 104,812	\$ 155,158	\$ 762,824
Total contributions	\$ 5,670,039	\$ 5,355,723	\$ 6,415,496	\$ 7,338,200	\$ 9,004,224	\$ 9,050,106	\$ 9,711,228	\$ 10,360,061	\$ 10,774,358	\$ 10,774,100
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175	\$ 21,705,627	\$ 21,366,473	\$ 21,211,867	\$ 22,310,153
Contributions as a percentage of covered payroll	30.19%	26.32%	31.61%	37.57%	46.41%	44.46%	44.74%	48.00%	50.06%	44.87%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	12 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.75%
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service
Mortality	PubS-2010, projected five years past the valuation date with Scale MP-2021

*The City changed its fiscal year from April 30 to December 31, 2015.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PENSION LIABILITY									
Service cost	\$ 5,623,110	\$ 5,569,481	\$ 5,538,779	\$ 5,185,160	\$ 5,406,119	\$ 5,532,729	\$ 5,333,756	\$ 5,586,570	\$ 5,653,251
Interest	20,562,051	21,744,892	22,718,596	23,410,727	24,350,281	25,520,573	26,395,701	28,031,226	29,077,102
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	626,724	(2,265,178)	4,058,008	480,406	2,382,717	1,395,718	9,917,115	1,715,817	4,070,450
Change of assumptions	358,132	(740,500)	(9,514,997)	9,247,031	-	(2,662,728)	-	-	(244,424)
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)	(19,924,140)	(21,958,030)
Net change in total pension liability	16,654,828	12,898,276	10,039,124	24,294,245	16,746,443	13,058,032	23,142,686	15,409,473	16,598,349
Total pension liability - beginning	276,972,756	293,627,584	306,525,860	316,564,984	340,859,229	357,605,672	370,663,704	393,806,390	409,215,863
TOTAL PENSION LIABILITY - ENDING	\$ 293,627,584	\$ 306,525,860	\$ 316,564,984	\$ 340,859,229	\$ 357,605,672	\$ 370,663,704	\$ 393,806,390	\$ 409,215,863	\$ 425,814,212
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923	\$ 6,266,110	\$ 6,825,231	\$ 5,356,176	\$ 5,034,166
Contributions - members	2,325,703	2,364,110	2,431,700	2,500,845	2,665,789	2,567,185	2,703,955	2,773,279	3,005,875
Net investment income	1,278,894	17,659,805	46,307,985	(15,495,449)	53,839,947	47,837,703	63,393,933	(54,058,150)	40,541,862
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)	(19,924,140)	(21,958,030)
Other	(715,829)	1,156,632	(3,683,564)	4,271,932	1,033,921	1,399,334	(250,791)	(411,876)	10,051,774
Net change in plan fiduciary net position	(1,600,049)	15,987,411	38,528,345	(16,713,932)	47,302,906	41,342,072	54,168,442	(66,264,711)	36,675,647
Plan fiduciary net position - beginning	256,860,331	255,260,282	271,247,693	309,776,038	293,062,106	340,365,012	381,707,084	435,875,526	369,610,815
PLAN FIDUCIARY NET POSITION - ENDING	\$ 255,260,282	\$ 271,247,693	\$ 309,776,038	\$ 293,062,106	\$ 340,365,012	\$ 381,707,084	\$ 435,875,526	\$ 369,610,815	\$ 406,286,462
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 38,367,302	\$ 35,278,167	\$ 6,788,946	\$ 47,797,123	\$ 17,240,660	\$ (11,043,380)	\$ (42,069,136)	\$ 39,605,048	\$ 19,527,750

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Plan fiduciary net position as a percentage of the total pension liability	86.93%	88.49%	97.86%	85.98%	95.18%	102.98%	110.68%	90.32%	95.41%
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933	\$ 56,081,457	\$ 59,432,005	\$ 60,878,390	\$ 63,776,012
Employer's net pension liability as a percentage of covered payroll	74.62%	68.52%	12.88%	90.36%	31.98%	(19.69%)	(70.79%)	65.06%	30.62%

Measurement Date December 31, 2015 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

Measurement Date December 31, 2016 - There was a change with respect to actuarial assumptions. Changes in assumptions related to mortality were made since the prior measurement date. Additionally, the discount rate was changed from 7.48% to 7.50%.

Measurement Date December 31, 2017 - Assumptions related to salary increases were changed from 3.75% - 14.50% to 3.39% - 14.25%. Assumptions related to price inflation were changed from 2.75% to 2.50%. Additionally, certain demographic assumptions were changed, which impacted mortality rates and retirement rates.

Measurement Date December 31, 2018 - There was a change with respect to actuarial assumptions. Changes in assumptions related to the discount rate. The discount rate was changed from 7.50% to 7.25%.

Measurement Date December 31, 2020 - There was a change with respect to actuarial assumptions. Changes in assumptions related to the inflation rate, salary increases, and the mortality rate.

Measurement Date December 31, 2023 - There was a change with respect to actuarial assumptions. Changes in assumptions related the mortality rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE	April 30,	December 31,								
	2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PENSION LIABILITY										
Service cost	\$ 3,442,284	\$ 2,635,406	\$ 4,113,967	\$ 4,277,831	\$ 4,341,621	\$ 4,181,667	\$ 3,975,082	\$ 4,248,416	\$ 4,371,545	\$ 4,378,221
Interest	12,150,401	8,904,818	13,993,038	14,216,220	15,123,748	15,819,177	17,044,614	17,961,116	18,929,691	20,023,805
Changes in benefit terms	-	-	-	-	-	595,481	-	-	-	-
Differences between expected and actual experience	(2,006,971)	(1,398,497)	(11,518,319)	1,578,661	(1,365,474)	529,725	2,077,633	2,955,362	4,237,446	913,646
Change of assumptions	8,387,367	-	3,016,340	-	-	8,997,231	1,744,714	3,736,061	-	-
Contributions - buy back	-	-	-	-	-	-	32,078	458,679	1,165,117	499,000
Benefit payments, including refunds of member contributions	(5,506,966)	(3,958,442)	(6,365,209)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)	(11,846,990)	(13,155,753)
Net change in total pension liability	16,466,115	6,183,285	3,239,817	13,255,066	10,573,916	21,638,772	15,595,521	18,708,684	16,856,809	12,658,919
Total pension liability - beginning	176,330,635	192,796,750	198,980,035	202,219,852	215,474,918	226,048,834	247,687,606	263,283,127	281,991,811	298,848,620
TOTAL PENSION LIABILITY - ENDING	\$ 192,796,750	\$ 198,980,035	\$ 202,219,852	\$ 215,474,918	\$ 226,048,834	\$ 247,687,606	\$ 263,283,127	\$ 281,991,811	\$ 298,848,620	\$ 311,507,539
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 5,641,180	\$ 5,345,433	\$ 6,329,588	\$ 6,677,807	\$ 7,224,321	\$ 7,136,502	\$ 7,291,728	\$ 7,885,275	\$ 8,262,723	\$ 8,694,282
Contributions - members	1,599,368	1,117,257	1,773,258	1,788,835	1,763,521	1,862,260	1,896,927	2,112,322	2,065,729	2,114,393
Contributions - other	8,066	2,237	21,704	-	-	-	32,078	458,679	1,165,117	499,000
Net investment income	8,726,002	(4,333,440)	11,562,097	20,204,239	(8,335,403)	28,666,783	24,922,152	27,524,492	(30,462,666)	29,178,702
Benefit payments, including refunds of member contributions	(5,506,966)	(3,950,028)	(6,386,913)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)	(11,846,990)	(13,155,753)
Administrative expense	(130,073)	(67,226)	(53,912)	(66,441)	(78,441)	(83,118)	(87,774)	(59,256)	(77,021)	(60,201)
Net change in plan fiduciary net position	10,337,577	(1,885,767)	13,245,822	21,786,794	(6,951,981)	29,097,918	24,776,511	27,270,562	(30,893,108)	27,270,423
Plan fiduciary net position - beginning	130,457,028	140,794,605	138,908,838	152,154,660	173,941,454	166,989,473	196,087,391	220,863,902	248,134,464	217,241,356
PLAN FIDUCIARY NET POSITION - ENDING	\$ 140,794,605	\$ 138,908,838	\$ 152,154,660	\$ 173,941,454	\$ 166,989,473	\$ 196,087,391	\$ 220,863,902	\$ 248,134,464	\$ 217,241,356	\$ 244,511,779
EMPLOYER'S NET PENSION LIABILITY	\$ 52,002,145	\$ 60,071,197	\$ 50,065,192	\$ 41,533,464	\$ 59,059,361	\$ 51,600,215	\$ 42,419,225	\$ 33,857,347	\$ 81,607,264	\$ 66,995,760

MEASUREMENT DATE	April 30,	December 31,								
	2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
Plan fiduciary net position as a percentage of the total pension liability	73.03%	69.81%	75.24%	80.72%	73.87%	79.17%	83.89%	87.99%	72.69%	78.49%
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726	\$ 19,141,544	\$ 21,315,055	\$ 20,844,894	\$ 21,335,954
Employer's net pension liability as a percentage of covered payroll	317.75%	360.07%	279.79%	230.09%	331.88%	274.59%	221.61%	158.84%	391.50%	314.00%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

Measurement Date April 30, 2015 - Changes made to mortality rate.

Measurement Date December 31, 2016, amounts reported as changes of assumptions resulted from the following assumption changes:

For healthy lives, the mortality rates were updated from RP-2000 Combined Healthy Mortality with a blue collar adjustment to RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.

For disabled lives, the mortality rates were updated from RP-2000 Disabled Retiree Mortality to RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.

The Salary Scale assumptions was changed from 5.00% to service based.

Measurement Date December 31, 2019, change of assumptions related to changes in mortality rates updated to reflect PubS-2010 tables, discount rate was updated from 7.00% to 6.90%, termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017, and retirement and salary increase rates were updated to the rates determined in the experience study dates June 25, 2019. Changes in benefit terms were a result of Public Act 101-0610.

Measurement Date December 31, 2020, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.90% to 6.85%.

Measurement Date December 31, 2021, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.85% to 6.75%.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION PLAN

Last Ten Fiscal Years

MEASUREMENT DATE	April 30,	December 31,								
	2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PENSION LIABILITY										
Service cost	\$ 3,852,140	\$ 3,038,367	\$ 5,196,429	\$ 5,414,018	\$ 5,195,663	\$ 5,419,442	\$ 5,343,193	\$ 5,780,537	\$ 5,731,999	\$ 5,941,162
Interest	11,857,616	8,558,822	14,032,562	14,813,198	15,645,078	16,654,316	18,019,207	18,972,785	20,105,169	20,796,537
Changes in benefit terms	-	-	-	-	-	770,343	-	-	-	-
Differences between expected and actual experience	(82,734)	5,414,803	(5,954,167)	(96,584)	2,403,795	(1,444,815)	797,795	3,606,171	(3,467,192)	(2,035,319)
Change of assumptions	2,920,299	-	4,639,327	-	-	11,900,170	1,838,412	3,957,531	-	-
Contributions buy-back	-	-	-	15,593	22,660	-	-	-	-	-
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)	(11,953,787)	(12,719,506)
Net change in total pension liability	13,339,753	13,142,547	11,490,437	12,610,341	14,715,341	23,704,731	15,605,185	21,492,617	10,416,189	11,982,874
Total pension liability - beginning	171,998,295	185,338,048	198,480,595	209,971,032	222,581,373	237,296,714	261,001,445	276,606,630	298,099,247	308,515,436
TOTAL PENSION LIABILITY - ENDING	\$ 185,338,048	\$ 198,480,595	\$ 209,971,032	\$ 222,581,373	\$ 237,296,714	\$ 261,001,445	\$ 276,606,630	\$ 298,099,247	\$ 308,515,436	\$ 320,498,310
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 5,670,039	\$ 5,355,723	\$ 6,415,496	\$ 7,338,200	\$ 9,004,224	\$ 9,050,106	\$ 9,711,228	\$ 10,360,061	\$ 10,774,358	\$ 10,774,100
Contributions - members	1,839,016	1,181,158	1,756,451	1,821,286	1,812,343	1,901,417	2,052,267	2,020,200	2,005,582	2,109,425
Contributions buy-back	-	-	-	15,593	22,660	-	-	-	-	-
Net investment income	7,705,014	(4,543,027)	11,586,944	20,265,831	(9,573,948)	29,456,020	19,784,694	26,677,515	(36,324,924)	32,115,833
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)	(11,953,787)	(12,719,507)
Administrative expense	(109,970)	(82,866)	(123,773)	(126,490)	(109,783)	(131,445)	(112,884)	(130,042)	(112,025)	(91,197)
Net change in plan fiduciary net position	9,896,531	(1,958,457)	13,211,404	21,778,536	(7,396,359)	30,681,373	21,041,883	28,103,327	(35,610,796)	32,188,654
Plan fiduciary net position - beginning	131,511,368	141,407,899	139,449,442	152,660,846	174,439,382	167,043,023	197,724,396	218,766,279	246,869,606	211,258,810
PLAN FIDUCIARY NET POSITION - ENDING	\$ 141,407,899	\$ 139,449,442	\$ 152,660,846	\$ 174,439,382	\$ 167,043,023	\$ 197,724,396	\$ 218,766,279	\$ 246,869,606	\$ 211,258,810	\$ 243,447,464
EMPLOYER'S NET PENSION LIABILITY	\$ 43,930,149	\$ 59,031,153	\$ 57,310,186	\$ 48,141,991	\$ 70,253,691	\$ 63,277,049	\$ 57,840,351	\$ 51,229,641	\$ 97,256,626	\$ 77,050,846

MEASUREMENT DATE	April 30,	December 31,								
	2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
Plan fiduciary net position as a percentage of the total pension liability	76.30%	70.26%	72.71%	78.37%	70.39%	75.76%	79.09%	82.81%	68.48%	75.96%
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175	\$ 21,705,627	\$ 21,366,473	\$ 21,211,867	\$ 22,310,153
Employer's net pension liability as a percentage of covered payroll	255.92%	322.30%	308.50%	249.92%	366.51%	314.65%	266.48%	239.77%	458.50%	345.36%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

Measurement Date April 30, 2015 - Changes made to mortality rate.

Measurement Date December 31, 2016, amounts reported as changes of assumptions resulted from the following assumption changes:

For healthy lives, the mortality rates were updated from RP-2000 Combined Healthy Mortality with a blue collar adjustment to RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.

For disabled lives, the mortality rates were updated from RP-2000 Disabled Retiree Mortality to RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.

The Salary Scale assumptions was changed from 5.00% to service based.

Measurement Date December 31, 2019, change of assumptions related to changes in mortality rates updated to reflect PubS-2010 tables, discount rate was updated from 7.00% to 6.90%, termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017, and retirement and salary increase rates were updated to the rates determined in the experience study dates June 25, 2019. Changes in benefit terms were a result of Public Act 101-0610.

Measurement Date December 31, 2020, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.90% to 6.85%.

Measurement Date December 31, 2021, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.85% to 6.75%.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Service cost	\$ 592,889	\$ 530,088	\$ 657,205	\$ 985,979	\$ 953,588	\$ 718,508
Interest	530,864	602,786	538,707	422,281	483,393	711,080
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	20,112	-	(746,187)	-
Changes of assumptions	(1,040,027)	1,376,979	4,705,917	(792,930)	(4,472,526)	500,846
Benefit payments, including refunds of member contributions	(721,170)	(782,469)	(845,067)	(943,862)	(1,014,652)	(927,305)
Net change in total OPEB liability	(637,444)	1,727,384	5,076,874	(328,532)	(4,796,384)	1,003,129
Total OPEB liability - beginning	15,196,740	14,559,296	16,286,680	21,363,554	21,035,022	16,238,638
TOTAL OPEB LIABILITY - ENDING	\$ 14,559,296	\$ 16,286,680	\$ 21,363,554	\$ 21,035,022	\$ 16,238,638	\$ 17,241,767
Covered-employee payroll	\$ 85,747,519	\$ 88,525,739	\$ 96,082,777	\$ 99,858,830	\$ 94,853,762	\$ 99,112,696
Employer's total OPEB liability as a percentage of covered-employee payroll	16.98%	18.40%	22.23%	21.06%	17.12%	17.40%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

December 31, 2023: Changes in assumptions reflect a change in the discount rate from 4.31% to 4.0%.

December 31, 2022: Changes in assumptions reflect a change in the discount rate from 2.25% to 4.31%. Also reflected as assumption changes are updated health care costs and premiums and updated health care cost trend rates, updated termination and retirement, and mortality rates.

December 31, 2021: Changes in assumptions reflect a change in the discount rate from 1.93% to 2.25%.

December 31, 2020: Changes in assumptions reflect a change in the discount rate from 3.26% to 1.93%, updated retirement, termination, disability, and mortality tables, updated salary increase rates, updated health care costs and premiums, and updated health care cost trend rates

December 31, 2019: Changes in assumptions relate to a decrease in the discount rate from 4.10% to 3.26%.

December 31, 2018: Because this is implementation year of GASB 74/75, the beginning total OPEB liability is based on the same data and plan provisions as the ending total OPEB liability. For the purpose of developing changes in OPEB liability for GABS 74/75 reporting, the only change in assumptions was the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	April 30, 2015*	2015	2016	2017	2018	December 31, 2019	2020	2021	2022	2023
Annual money-weighted rate of return, net of investment expense	6.60%	(3.10%)	8.41%	13.29%	(4.73%)	16.89%	12.78%	12.57%	(12.30%)	13.70%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	April 30, 2015*	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return, net of investment expense	6.00%	(3.20%)	8.32%	13.31%	(5.43%)	17.67%	10.03%	12.27%	(15.80%)	15.37%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - This fund is the general operating fund of the City. The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.

DEBT SERVICE FUND

Debt Service Fund - This fund is funded by a property tax restricted for the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds.

CAPITAL PROJECTS FUND

Capital Projects Fund - This fund is used to account for major capital improvement projects on an as needed basis. Yearly transfers from the other funds are done for funding of capital improvement projects.

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TAXES				
Property taxes				
General	\$ 9,050,000	\$ 9,050,000	\$ 9,048,209	\$ (1,791)
Police Pension	7,935,181	7,935,181	7,927,560	(7,621)
Firefighters' Pension	10,011,276	10,011,276	10,007,201	(4,075)
Total property taxes	26,996,457	26,996,457	26,982,970	(13,487)
Utility tax	15,618,000	15,618,000	15,184,960	(433,040)
Other taxes				
Auto rental tax	125,000	125,000	164,486	39,486
Real estate transfer tax	5,476,200	5,476,200	4,027,108	(1,449,092)
Hotel/motel tax	2,343,000	2,343,000	1,922,332	(420,668)
Cannabis tax	373,850	373,850	228,390	(145,460)
Other tax	1,282,000	1,282,000	-	(1,282,000)
Personal property replacement tax	669,900	669,900	911,137	241,237
Total other taxes	10,269,950	10,269,950	7,253,453	(3,016,497)
Total taxes	52,884,407	52,884,407	49,421,383	(3,463,024)
LICENSES AND PERMITS				
Licenses				
Liquor	644,975	644,975	545,738	(99,237)
Tobacco	16,800	16,800	18,225	1,425
Business license	1,650	1,650	1,300	(350)
Basset	35,000	35,000	49,380	14,380
Electric license	28,800	28,800	30,415	1,615
Contractor license	20,400	20,400	14,906	(5,494)
Total licenses	747,625	747,625	659,964	(87,661)
Permits				
Commercial	1,000,000	1,000,000	807,666	(192,334)
Residential	700,000	700,000	602,110	(97,890)
Plan review	-	-	150	150
Fire alarm/sprinkler	63,000	63,000	184,928	121,928
Other	31,000	31,000	7,943	(23,057)
Total permits	1,794,000	1,794,000	1,602,797	(191,203)
Total licenses and permits	2,541,625	2,541,625	2,262,761	(278,864)

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
FINES				
Traffic	\$ 825,000	\$ 825,000	\$ 961,191	\$ 136,191
Ordinance violations	9,500	9,500	42,151	32,651
Parking	75,000	75,000	72,259	(2,741)
Other	185,000	185,000	178,921	(6,079)
Total fines	1,094,500	1,094,500	1,254,522	160,022
NET INVESTMENT INCOME (LOSS)	(70,679)	(70,679)	3,279,753	3,350,432
INTERGOVERNMENTAL REVENUE				
Sales and use tax	50,521,729	50,521,729	52,868,610	2,346,881
State income tax	21,976,540	21,976,540	23,884,437	1,907,897
Federal grants	260,100	260,100	277,398	17,298
State grants	89,980	89,980	254,827	164,847
Total intergovernmental revenue	72,848,349	72,848,349	77,285,272	4,436,923
CHARGES FOR SERVICES				
Operational transfer	4,960,518	4,960,518	4,523,135	(437,383)
Developer contributions	170,000	170,000	86,464	(83,536)
Rental income	67,056	67,056	37,679	(29,377)
Administrative tow fee	290,000	290,000	169,649	(120,351)
DPW - services for DPU	145,651	145,651	178,091	32,440
N.F.P.D. - contract	1,516,214	1,516,214	1,399,591	(116,623)
Ambulance fees	7,000,000	7,000,000	7,583,795	583,795
Fire services	354,123	354,123	153,493	(200,630)
Fire alarm monitoring	700,000	700,000	674,487	(25,513)
Police services	943,950	943,950	830,414	(113,536)
Billable TED service	48,000	48,000	40,735	(7,265)
TED services	-	-	102,091	102,091
Engineering fees	100,000	100,000	332,468	232,468
Entitlement fees	90,000	90,000	275,156	185,156
Household hazardous waste	155,000	155,000	191,250	36,250
Other charges for services	401,500	401,500	242,251	(159,249)
Total charges for services	16,942,012	16,942,012	16,820,749	(121,263)
FRANCHISE FEES				
RCN - cable franchise fee	314,000	314,000	267,868	(46,132)
RCN - 1% support fee	65,000	65,000	53,573	(11,427)
Comcast - cable franchise fee	1,811,000	1,811,000	1,535,907	(275,093)
Comcast - 1% support fee	335,250	335,250	307,392	(27,858)
Lease revenue	311,340	311,340	308,748	(2,592)
AT&T - cable franchise fee	179,000	179,000	151,503	(27,497)
AT&T - 1% support fee	33,250	33,250	30,301	(2,949)
Total franchise fees	3,048,840	3,048,840	2,655,292	(393,548)

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
MISCELLANEOUS				
Late payment charge	\$ 30,000	\$ 30,000	\$ 10,340	\$ (19,660)
Sale of surplus property	50,000	50,000	19,094	(30,906)
Bad debt recovery	50,000	50,000	104,133	54,133
Damage to city property	140,000	140,000	63,153	(76,847)
Rebate programs	45,000	45,000	46,517	1,517
Tree reimbursement	51,000	51,000	56,380	5,380
Miscellaneous revenues	20,000	20,000	251,823	231,823
 Total miscellaneous	 386,000	 386,000	 551,440	 165,440
 TOTAL REVENUES	 \$ 149,675,054	 \$ 149,675,054	 \$ 153,531,172	 \$ 3,856,118

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
Legislative				
Mayor and City Council				
Salaries and wages	\$ 241,743	\$ 241,743	\$ 169,994	\$ 71,749
Benefits and related	70,176	70,176	46,135	24,041
Contracted services	25,835	25,835	20,845	4,990
Internal services	16,955	16,955	16,956	(1)
Supplies	2,450	2,450	1,484	966
Total Mayor and City Council	357,159	357,159	255,414	101,745
Alcohol and Tobacco Commission				
Contracted services	21,700	21,700	8,299	13,401
Supplies	3,050	3,050	2,157	893
Total Alcohol and Tobacco Commission	24,750	24,750	10,456	14,294
Legal				
Legal department				
Salaries and wages	736,619	736,619	632,104	104,515
Benefits and related	217,535	217,535	191,624	25,911
Contracted services	37,500	37,500	46,363	(8,863)
Internal services	16,955	16,955	16,956	(1)
Supplies	16,250	16,250	20,150	(3,900)
Total legal department	1,024,859	1,024,859	907,197	117,662
Executive				
City Manager's Office				
Salaries and wages	649,128	649,128	566,559	82,569
Benefits and related	179,196	179,196	138,862	40,334
Contracted services	284,727	284,727	143,123	141,604
Internal services	27,129	27,129	27,132	(3)
Supplies	26,600	26,600	19,846	6,754
Total City Manager's Office	1,166,780	1,166,780	895,522	271,258
Sister Cities Commission				
Contracted services	3,350	3,350	1,050	2,300
Total Sister Cities Commission	3,350	3,350	1,050	2,300

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT (Continued)				
Executive (Continued)				
Board of Fire and Police				
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Benefits and related	-	-	-	-
Contracted services	168,325	168,325	111,214	57,111
Supplies	4,100	4,100	320	3,780
Total Board of Fire and Police	172,425	172,425	111,534	60,891
Communications				
Salaries and wages	505,967	505,967	507,037	(1,070)
Benefits and related	162,067	162,067	142,326	19,741
Contracted services	200,600	200,600	484,206	(283,606)
Supplies	3,000	3,000	4,285	(1,285)
Total communications	871,634	871,634	1,137,854	(266,220)
Human resources				
Salaries and wages	644,795	644,795	626,494	18,301
Benefits and related	227,579	227,579	209,254	18,325
Contracted services	374,617	374,617	314,315	60,302
Internal services	13,565	13,565	13,572	(7)
Supplies	33,500	33,500	16,838	16,662
Total human resources	1,294,056	1,294,056	1,180,473	113,583
City Clerk				
Community Services Department				
Salaries and wages	614,924	614,924	488,187	126,737
Benefits and related	218,600	218,600	181,257	37,343
Contracted services	65,375	65,375	49,606	15,769
Internal services	13,565	13,565	13,572	(7)
Supplies	13,000	13,000	14,903	(1,903)
Total Community Services Department	925,464	925,464	747,525	177,939
Reproduction micrographics service				
Salaries and wages	137,026	137,026	138,608	(1,582)
Benefits and related	58,275	58,275	56,684	1,591
Contracted services	153,706	153,706	159,383	(5,677)
Internal services	(47,502)	(47,502)	(47,496)	(6)
Supplies	29,050	29,050	21,438	7,612
Capital maintenance	-	-	121,966	(121,966)
Total reproduction micrographics service	330,555	330,555	450,583	(120,028)

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT (Continued)				
City Clerk (Continued)				
Information technology				
Salaries and wages	\$ 2,945,000	\$ 2,945,000	\$ 2,959,476	\$ (14,476)
Benefits and related	807,185	807,185	864,098	(56,913)
Contracted services	5,651,565	5,651,565	6,342,475	(690,910)
Supplies	1,440,070	1,440,070	887,978	552,092
Internal services	(1,500,102)	(1,500,102)	(1,500,108)	6
Total information technology	9,343,718	9,343,718	9,553,919	(210,201)
Financial administration				
Administration				
Salaries and wages	1,047,260	1,047,260	950,975	96,285
Benefits and related	308,885	308,885	270,711	38,174
Contracted services	869,400	869,400	682,252	187,148
Internal services	59,965	59,965	59,964	1
Supplies	34,800	34,800	26,773	8,027
Total administration	2,320,310	2,320,310	1,990,675	329,635
Billing and collection				
Salaries and wages	158,615	158,615	152,129	6,486
Benefits and related	50,833	50,833	44,968	5,865
Contracted services	32,750	32,750	51,989	(19,239)
Total billing and collection	242,198	242,198	249,086	(6,888)
General services	2,717,747	3,217,747	2,903,678	314,069
Total general government	20,795,005	21,295,005	20,394,966	900,039
PHYSICAL ENVIRONMENT				
Development review team				
Salaries and wages	2,087,439	2,087,439	1,917,957	169,482
Benefits and related	720,028	720,028	605,406	114,622
Contracted services	63,000	63,000	62,694	306
Capital maintenance	31,700	31,700	24,590	7,110
Total development review team	2,902,167	2,902,167	2,610,647	291,520

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PHYSICAL ENVIRONMENT (Continued)				
Special projects team				
Salaries and wages	\$ 1,051,677	\$ 1,051,677	\$ 1,198,181	\$ (146,504)
Benefits and related	374,593	374,593	395,154	(20,561)
Contracted services	232,870	232,870	110,245	122,625
Internal services	379,803	379,803	379,812	(9)
Supplies	68,120	68,120	37,620	30,500
Total special projects team	2,107,063	2,107,063	2,121,012	(13,949)
Planning				
Salaries and wages	505,794	505,794	451,128	54,666
Benefits and related	111,120	111,120	89,584	21,536
Contracted services	125,000	125,000	-	125,000
Total planning	741,914	741,914	540,712	201,202
Public buildings				
Salaries and wages	1,171,999	1,171,999	1,069,297	102,702
Benefits and related	343,407	343,407	342,139	1,268
Contracted services	1,431,675	1,431,675	1,115,515	316,160
Supplies	1,354,395	1,354,395	1,196,979	157,416
Total public buildings	4,301,476	4,301,476	3,723,930	577,546
Total physical environment	10,052,620	10,052,620	8,996,301	1,056,319
PUBLIC SAFETY				
Police				
Police administration				
Salaries and wages	1,978,134	1,978,134	2,030,556	(52,422)
Benefits and related	8,928,924	8,928,924	8,963,602	(34,678)
Contracted services	1,426,363	1,426,363	1,478,887	(52,524)
Internal services	1,088,544	1,088,544	1,088,556	(12)
Supplies	675,264	675,264	808,190	(132,926)
Total police administration	14,097,229	14,097,229	14,369,791	(272,562)
Patrol				
Salaries and wages	17,039,770	17,039,770	16,899,293	140,477
Benefits and related	2,550,866	2,550,866	2,727,064	(176,198)
Contracted services	52,125	52,125	38,016	14,109
Supplies	171,750	171,750	181,419	(9,669)
Total patrol	19,814,511	19,814,511	19,845,792	(31,281)

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PUBLIC SAFETY (Continued)				
Police (Continued)				
Investigations				
Salaries and wages	\$ 8,745,395	\$ 8,745,395	\$ 9,054,315	\$ (308,920)
Benefits and related	1,275,823	1,275,823	1,394,260	(118,437)
Contracted services	278,413	278,413	219,902	58,511
Supplies	144,100	144,100	136,661	7,439
Total investigations	<u>10,443,731</u>	<u>10,443,731</u>	<u>10,805,138</u>	<u>(361,407)</u>
Communications				
Salaries and wages	2,501,403	2,501,403	2,524,486	(23,083)
Benefits and related	731,146	731,146	704,468	26,678
Contracted services	688,813	688,813	714,189	(25,376)
Supplies	36,985	36,985	31,071	5,914
Total communications	<u>3,958,347</u>	<u>3,958,347</u>	<u>3,974,214</u>	<u>(15,867)</u>
Fire				
Fire administration				
Salaries and wages	2,034,194	2,034,194	1,977,633	56,561
Benefits and related	10,975,448	10,975,448	10,956,420	19,028
Contracted services	896,320	896,320	937,226	(40,906)
Internal services	378,506	378,506	378,353	153
Supplies	638,680	638,680	536,962	101,718
Total fire administration	<u>14,923,148</u>	<u>14,923,148</u>	<u>14,786,594</u>	<u>136,554</u>
Operations division				
Salaries and wages	22,276,677	22,451,677	22,865,650	(413,973)
Benefits and related	3,306,848	3,306,848	3,552,869	(246,021)
Contracted services	333,100	333,100	285,554	47,546
Supplies	265,948	265,948	206,078	59,870
Total operations division	<u>26,182,573</u>	<u>26,357,573</u>	<u>26,910,151</u>	<u>(552,578)</u>
Total public safety	<u>89,419,539</u>	<u>89,594,539</u>	<u>90,691,680</u>	<u>(1,097,141)</u>
TRANSPORTATION				
Public works				
Administration				
Salaries and wages	1,342,881	1,342,881	1,440,211	(97,330)
Benefits and related	593,740	593,740	600,071	(6,331)
Contracted services	1,290,115	1,290,115	626,102	664,013
Internal services	495,101	495,101	495,096	5
Supplies	254,900	254,900	139,386	115,514
Total administration	<u>3,976,737</u>	<u>3,976,737</u>	<u>3,300,866</u>	<u>675,871</u>

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TRANSPORTATION (Continued)				
Public works (Continued)				
Operations and maintenance				
Salaries and wages	\$ 5,310,428	\$ 5,310,428	\$ 5,105,798	\$ 204,630
Benefits and related	1,547,159	1,547,159	1,489,646	57,513
Contracted services	2,491,000	2,491,000	2,720,175	(229,175)
Supplies	1,850,266	1,850,266	1,312,392	537,874
Total operations and maintenance	11,198,853	11,198,853	10,628,011	570,842
Fleet services				
Salaries and wages	1,483,276	1,483,276	1,422,158	61,118
Benefits and related	432,627	432,627	469,786	(37,159)
Contracted services	938,210	938,210	722,126	216,084
Supplies	2,707,190	2,707,190	2,085,742	621,448
Total fleet services	5,561,303	5,561,303	4,699,812	861,491
Transportation and engineering				
Administration				
Salaries and wages	1,186,124	1,186,124	1,048,692	137,432
Benefits and related	313,887	313,887	313,568	319
Contracted services	1,359,960	1,359,960	1,112,358	247,602
Supplies	175,500	175,500	141,733	33,767
Total administration	3,035,471	3,035,471	2,616,351	419,120
Total transportation	23,772,364	23,772,364	21,245,040	2,527,324
CULTURE AND RECREATION				
Riverwalk				
Salaries and wages	29,120	29,120	20,015	9,105
Benefits and related	15,753	15,753	10,663	5,090
Contracted services	53,210	53,210	33,106	20,104
Supplies	150	150	-	150
Total Riverwalk	98,233	98,233	63,784	34,449
Total culture and recreation	98,233	98,233	63,784	34,449
DEBT SERVICE				
Principal	-	-	1,702,556	(1,702,556)
Interest and fees	-	-	25,179	(25,179)
Total debt service	-	-	1,727,735	(1,727,735)
TOTAL EXPENDITURES	\$ 144,137,761	\$ 144,812,761	\$ 143,119,506	\$ 1,693,255

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 8,108,982	\$ 8,108,982	\$ 8,183,316	\$ 74,334
Net investment income (loss)	(10,189)	(10,189)	328,993	339,182
Total revenues	8,098,793	8,098,793	8,512,309	413,516
EXPENDITURES				
Debt service				
Principal	9,509,700	9,509,700	9,509,700	-
Interest and fees	2,212,202	2,212,202	2,211,867	335
Total expenditures	11,721,902	11,721,902	11,721,567	335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,623,109)	(3,623,109)	(3,209,258)	413,851
OTHER FINANCING SOURCES (USES)				
Transfers in	2,544,742	2,544,742	2,776,549	231,807
Total other financing sources (uses)	2,544,742	2,544,742	2,776,549	231,807
NET CHANGE IN FUND BALANCE	\$ (1,078,367)	\$ (1,078,367)	(432,709)	\$ 645,658
FUND BALANCE, JANUARY 1			5,116,862	
FUND BALANCE, DECEMBER 31			\$ 4,684,153	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ (35,995)	\$ (35,995)	\$ 1,599,218	\$ 1,635,213
Contributions	3,443,000	3,443,000	2,007,404	(1,435,596)
Intergovernmental				
Sales taxes	17,989,200	17,989,200	18,029,257	40,057
Grants	13,100,000	13,100,000	104,590	(12,995,410)
Miscellaneous	300,000	300,000	393,989	93,989
Total revenues	34,796,205	34,796,205	22,134,458	(12,661,747)
EXPENDITURES				
Capital outlay	57,404,327	47,863,514	16,909,072	30,954,442
Debt service				
Principal	-	-	446,061	(446,061)
Total expenditures	57,404,327	47,863,514	17,355,133	30,508,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,608,122)	(13,067,309)	4,779,325	17,846,634
OTHER FINANCING SOURCES (USES)				
Transfers in	23,691	23,691	23,695	4
Note issuance	-	-	2,772,499	2,772,499
SBITA issuance	-	-	663,412	663,412
Total other financing sources (uses)	23,691	23,691	3,459,606	3,435,915
NET CHANGE IN FUND BALANCE	\$ (22,584,431)	\$ (13,043,618)	8,238,931	\$ 21,282,549
FUND BALANCE, JANUARY 1			27,332,196	
FUND BALANCE, DECEMBER 31			\$ 35,571,127	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments or for major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Motor Fuel Tax Fund - to account for the state allotments approved by the Illinois Department of Transportation and restricted to fund the street maintenance and various improvements projects.

Community Development Block Grant Fund - to account for the Community Development Block Grant approved by the Federal government and restricted to fund the Housing and Urban Development (HUD) projects.

Fair Share Assessment Fund - to account for street maintenance and improvement projects financed and restricted by the impact fees ordinance. All projects require the advance approval of the Transportation Management Advisory Committee and City Council. In 2009, the City Council rescinded the impact fees ordinance. No impact fees revenue has been received since FY 2010.

Road and Bridge Fund - to account for the accumulation of the local motor fuel tax and the City's share of the four Townships' roadway funds, restricted for the street maintenance.

Naper Settlement Fund - to account for a property tax, one primary revenue source, levied and restricted for the operation and maintenance of the Naper Settlement Museum. In addition, there are donations, fees, and interest earnings assigned to supplement the Settlement's program. The Settlement is administered by a Board of Directors, appointed by the City Council. The City Council approves the annual budget and property tax levy.

Foreign Fire Insurance Tax Fund - to account for state allotment of charges assessed to insurance companies who insure out of state organizations that do business in the State of Illinois and is restricted for fire department related purposes.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

E-911 Surcharge Fund - to account for the receipt of E911 surcharges restricted to fund the operation of the E-911 system.

Food and Beverage Tax Fund - to account for the accumulation of the citywide Food and Beverage tax, restricted to fund the social and artistic events and entities, providing cultural experiences for the Naperville community and its visitors, and also a portion is used to fund police and fire pensions.

Downtown Maintenance Fund - to account for the cost-sharing paid by property owners and the City, restricted to fund the maintenance and support services for enhancing downtown Naperville including improvements to the downtown parking decks.

Test Track Fund - to account for the car dealership contributions restricted to fund the auto test rack maintenance.

Water Street TIF Fund - to account for the receipt and disbursement of Water Street TIF, a financing mechanism for the Water Street Redevelopment Project and to account for the 2014 G.O. Bond proceeds of \$6,220,000 to be restrictedly used for the Water Street Improvements. The eligible costs are restricted to the Water Street redevelopment project and may include, but not limited to, water storm, sanitary sewer, the service of public facilities and spaces pursuant to the Act, and road improvements.

Drug Forfeiture Fund - to account for the accumulation of funds seized by the City's authorities and restricted by the state and federal governments for drug prevention expenditures.

Special Service Area #25 Fund - to account for the cost-sharing paid by property owners and the City, restricted to fund the traffic signal for enhancing south Naperville at Lacrosse St. and Rt. 59.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Special Service Area #30 Fund - to account for a capital project involving design and construction of improvements to renovate the streetscape in the Downtown Central Business District. Work will include installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan.

Special Service Area #31 Fund - to account for City-required streetscape improvements following the redevelopment of the downtown property at 41 W. Jefferson Ave. Due to the cost to bring the streetscape up to current City standards, the City considered an SSA as a mechanism for financing these improvements. The City reimbursed the property owner for the full costs related to the improvements in 2019 and will begin to levy property taxes in 2021 to recoup the amount, plus interest, over the next 15 years.

ETSB Fund - to account for the receipt of all surcharge and other monies paid or collected on behalf of the City of Aurora to fund the operation of the E911 system and to account for the disbursement of funds associated with the design, implementation, and maintenance of an emergency telephone system.

Special Service Area #34 Fund - to account for a capital project involving the design and construction of improvements to the streetscape in the Central Business District. Work included the installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan. SSA 34 encompasses the north side of Jefferson Avenue between Main and Webster streets. SSA 34 will provide a financing mechanism to reimburse that fund for the property owners' 40% portion of the project over 15 years, beginning in 2023.

Special Service Area #35 Fund - to account for a capital project involving the design and construction of improvements to the streetscape in the Central Business District. Work included the installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan. SSA 35 encompasses the east and west sides of Washington Street from Benton Avenue south to Chicago Avenue. SSA 35 will provide a financing mechanism to reimburse that fund for the property owners' 40% portion of the project over 15 years, beginning in 2024.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Heinen Business District Fund - to account for the private redevelopment of blighted properties located at the 1200 block of Chicago Avenue, between Olesen Drive and Pembroke Road. The establishment of the Heinen Business District included a 0.5% business district sales tax to be collected by merchants operating within the geographic limits of the business district. The City will use the revenue collected from that tax to reimburse the developer of Heinen's for expenses incurred during the project, as defined in a redevelopment agreement.

Block 59 Business District Fund - to account for the private redevelopment of blighted properties located at the northeast corner of Illinois Route 59 and Aurora Avenue. The establishment of the Block 59 Business District included a 1.0% business district sales tax to be collected by merchants operating within the geographic limits of the business district. The City will use the revenue collected from that tax to reimburse the developer of Block 59 for expenses incurred during the project, as defined in a redevelopment agreement.

ARPA Fund - to account for the receipt of American Rescue Plan Act monies approved by the Federal Government and are for specific projects.

DEBT SERVICE FUNDS

The following Debt Service Funds are established to account for the restricted resources required for the payment of principal and interest on the City's general obligation debts. The debt service funds are legal in nature. They are established in accordance with the City's ordinances.

Special Service Area #23 Fund - to establish a financing mechanism to collect a portion of the debt service for the Van Buren parking deck expansion. The City ceased to levy SSA #23 in December 2012 and will not levy it until December 2014.

Downtown Parking Fund - to account for the collection of the Downtown Food and Beverage Tax in repayment of one-third of the debt service for the acquisition of the Van Buren parking deck expansion.

CITY OF NAPERVILLE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	Special Revenue Funds				
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Fair Share Assessment Fund	Road and Bridge Fund	Naper Settlement Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and investments	\$ 12,970,130	\$ 6,565	\$ -	\$ 3,878,490	\$ 720,796
Receivables					
Property taxes	-	-	-	25,494	3,897,251
Interest	-	-	-	11,138	2,090
Accounts receivable less allowance for doubtful accounts	165,473	-	-	256,838	-
Leases	-	-	-	-	-
Due from other governments	583,650	118,791	-	-	-
Total assets	<u>13,719,253</u>	<u>125,356</u>	<u>-</u>	<u>4,171,960</u>	<u>4,620,137</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 13,719,253</u>	<u>\$ 125,356</u>	<u>\$ -</u>	<u>\$ 4,171,960</u>	<u>\$ 4,620,137</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 333,295	\$ 100,032	\$ -	\$ 527,957	\$ 82,423
Accrued wages and benefits	-	-	-	12,426	60,212
Due to other governments	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned grant revenues and others	62,603	-	-	56,412	470
Total liabilities	<u>395,898</u>	<u>100,032</u>	<u>-</u>	<u>596,795</u>	<u>143,105</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leases	-	-	-	-	-
Unavailable revenue-property taxes	-	-	-	-	3,897,251
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,897,251</u>
Total liabilities and deferred inflows of resources	<u>395,898</u>	<u>100,032</u>	<u>-</u>	<u>596,795</u>	<u>4,040,356</u>
FUND BALANCES					
Restricted for					
Debt service	-	-	-	-	-
Economic development	-	-	-	-	-
Highways, streets, and parking facilities	13,323,355	-	-	3,575,165	-
Public safety	-	-	-	-	-
Capital projects	-	-	-	-	-
Culture and recreation	-	-	-	-	579,781
Physical environment	-	25,324	-	-	-
Committed to					
Highways, streets, and parking facilities	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>13,323,355</u>	<u>25,324</u>	<u>-</u>	<u>3,575,165</u>	<u>579,781</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 13,719,253</u>	<u>\$ 125,356</u>	<u>\$ -</u>	<u>\$ 4,171,960</u>	<u>\$ 4,620,137</u>

Special Revenue Funds

Foreign Fire Insurance Tax Fund	E-911 Surcharge Fund	Food and Beverage Tax Fund	Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund
\$ 629,339	\$ 1,410,924	\$ 1,277,140	\$ 2,516,877	\$ 16,467	\$ 51,770	\$ 1,369,054	\$ -	\$ -
-	-	-	1,252,829	-	692,383	-	68,000	-
-	4,775	11,718	10,621	173	1,599	7,126	-	-
-	-	640,600	-	75,356	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,010,357	-	-	-	-	-	-	-
629,339	2,426,056	1,929,458	3,780,327	91,996	745,752	1,376,180	68,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 629,339	\$ 2,426,056	\$ 1,929,458	\$ 3,780,327	\$ 91,996	\$ 745,752	\$ 1,376,180	\$ 68,000	\$ -
\$ -	\$ -	\$ 363,858	\$ 32,486	\$ 534	\$ -	\$ 1,076	\$ -	\$ -
-	-	466	17,435	-	-	-	-	-
-	-	-	-	-	-	149,382	-	-
-	-	-	-	-	-	-	291,946	-
-	-	68,750	-	485	-	-	-	-
-	-	433,074	49,921	1,019	-	150,458	291,946	-
-	-	-	-	-	-	-	-	-
-	-	-	1,252,829	-	692,383	-	68,000	-
-	-	-	1,252,829	-	692,383	-	68,000	-
-	-	433,074	1,302,750	1,019	692,383	150,458	359,946	-
-	-	-	-	-	-	-	-	-
-	-	-	-	90,977	-	-	-	-
629,339	2,426,056	-	-	-	-	1,225,722	-	-
-	-	1,496,384	-	-	53,369	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,477,577	-	-	-	-	-
-	-	-	-	-	-	-	(291,946)	-
629,339	2,426,056	1,496,384	2,477,577	90,977	53,369	1,225,722	(291,946)	-
\$ 629,339	\$ 2,426,056	\$ 1,929,458	\$ 3,780,327	\$ 91,996	\$ 745,752	\$ 1,376,180	\$ 68,000	\$ -

(This statement is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	Special Revenue Funds			
	Special Service Area #31 Fund	ETSB Fund	Special Service Area #34 Fund	Special Service Area #35 Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and investments	\$ -	\$ 1,100,673	\$ -	\$ -
Receivables				
Property taxes	-		20,026	125,000
Interest	-	4,666	-	-
Accounts receivable less allowance for doubtful accounts	-	807,595	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Total assets	-	1,912,934	20,026	125,000
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 1,912,934	\$ 20,026	\$ 125,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	-	-
Advances from other funds	220,456	-	-	-
Unearned grant revenues and others	-	-	-	-
Total liabilities	220,456	-	-	-
DEFERRED INFLOWS OF BALANCES				
Unavailable revenue - leases	-	-	-	-
Unavailable revenue - property taxes	-	-	20,026	125,000
Total deferred inflows of resources	-	-	20,026	125,000
Total liabilities and deferred inflows of resources	220,456	-	20,026	125,000
FUND BALANCES				
Restricted for				
Debt service	-	-	-	-
Economic development	-	-	-	-
Highways, streets, and parking facilities	-	-	-	-
Public safety	-	1,912,934	-	-
Capital projects	-	-	-	-
Culture and recreation	-	-	-	-
Physical environment	-	-	-	-
Committed to				
Highways, streets, and parking facilities	-	-	-	-
Unassigned (deficit)	(220,456)	-	-	-
Total fund balances (deficit)	(220,456)	1,912,934	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ -	\$ 1,912,934	\$ 20,026	\$ 125,000

Special Revenue Funds			Debt Service		
Heinen Business District Fund	Block 59 Business District Fund	ARPA Fund	Special Service Area #23 Fund	Downtown Parking Fund	Total Nonmajor Governmental Funds
\$ 1,408	\$ 74,116	\$ -	\$ 107,599	\$ 9,616,132	\$ 35,747,480
-	-	-	98,939	-	6,179,922
1	58	-	-	42,517	96,482
1,491	87,229	-	-	374,863	2,409,445
-	-	-	-	2,378,894	2,378,894
-	-	-	-	-	1,712,798
2,900	161,403	-	206,538	12,412,406	48,525,021
-	-	-	-	-	-
-	-	-	-	-	-
\$ 2,900	\$ 161,403	\$ -	\$ 206,538	\$ 12,412,406	\$ 48,525,021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,441,661
-	-	-	-	-	90,539
-	-	-	-	-	149,382
-	-	-	-	-	512,402
-	-	-	-	13,947	202,667
-	-	-	-	13,947	2,396,651
-	-	-	-	2,355,763	2,355,763
-	-	-	98,939	-	6,154,428
-	-	-	98,939	2,355,763	8,510,191
-	-	-	98,939	2,369,710	10,906,842
-	-	-	107,599	10,042,696	10,150,295
2,900	161,403	-	-	-	164,303
-	-	-	-	-	16,989,497
-	-	-	-	-	6,194,051
-	-	-	-	-	53,369
-	-	-	-	-	2,076,165
-	-	-	-	-	25,324
-	-	-	-	-	2,477,577
-	-	-	-	-	(512,402)
2,900	161,403	-	107,599	10,042,696	37,618,179
\$ 2,900	\$ 161,403	\$ -	\$ 206,538	\$ 12,412,406	\$ 48,525,021

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2023

	Special Revenue Funds				
	Motor Fuel	Community	Fair Share	Road and	Naper
	Tax Fund	Development	Assessment	Bridge	Settlement
	Grant Fund	Block	Fund	Fund	Fund
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ 249,918	\$ 4,158,180
Other taxes	-	-	-	2,506,201	-
Licenses and permits	-	-	-	63,044	-
Fines and forfeits	-	-	-	-	-
Contributions	-	-	-	2,246	-
Net investment income (loss)	756,996	-	-	116,548	22,222
Intergovernmental	6,937,545	706,863	-	-	-
Charges for services	-	-	-	-	467,801
Miscellaneous	-	-	-	3,227	-
Total revenues	7,694,541	706,863	-	2,941,184	4,648,203
EXPENDITURES					
Current					
General government	-	-	-	-	-
Physical environment	-	706,863	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	4,328,288
Transportation	-	-	-	799,395	-
Capital outlay	7,825,610	-	-	919,783	-
Debt service					
Principal	-	-	-	-	22,209
Interest	-	-	-	-	1,335
Total expenditures	7,825,610	706,863	-	1,719,178	4,351,832
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(131,069)	-	-	1,222,006	296,371
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(131,069)	-	-	1,222,006	296,371
FUND BALANCES (DEFICIT), JANUARY 1	13,454,424	25,324	-	2,353,159	283,410
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 13,323,355	\$ 25,324	\$ -	\$ 3,575,165	\$ 579,781

Special Revenue Funds

Foreign Fire Insurance Tax Fund	E-911 Surcharge Fund	Food and Beverage Tax Fund	Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund
\$ -	\$ -	\$ -	\$ 1,246,429	\$ -	\$ 635,869	\$ -	\$ 68,002	\$ 80,002
-	-	6,134,527	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	69,095	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,156	49,964	122,607	111,127	1,805	16,730	74,553	18	-
395,829	-	-	-	-	-	153,530	-	-
-	3,625,792	-	300	42,131	-	-	-	-
-	-	25,230	(17,166)	-	-	-	-	-
399,985	3,675,756	6,282,364	1,409,785	43,936	652,599	228,083	68,020	80,002
-	-	-	-	-	3,633	-	-	-
-	-	-	-	-	-	-	-	-
247,453	3,083,625	-	-	-	-	52,250	-	-
-	-	4,054,931	-	-	-	-	-	-
-	-	-	2,452,728	48,125	-	-	-	-
-	-	-	-	-	-	144,417	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
247,453	3,083,625	4,054,931	2,452,728	48,125	3,633	196,667	-	-
152,532	592,131	2,227,433	(1,042,943)	(4,189)	648,966	31,416	68,020	80,002
-	-	-	-	-	-	-	-	-
-	-	-	1,668,239	-	-	-	-	-
-	-	(2,041,742)	-	-	(635,869)	-	-	(5,684)
-	-	(2,041,742)	1,668,239	-	(635,869)	-	-	(5,684)
152,532	592,131	185,691	625,296	(4,189)	13,097	31,416	68,020	74,318
476,807	1,833,925	1,310,693	1,852,281	95,166	40,272	1,194,306	(359,966)	(74,318)
\$ 629,339	\$ 2,426,056	\$ 1,496,384	\$ 2,477,577	\$ 90,977	\$ 53,369	\$ 1,225,722	\$ (291,946)	\$ -

(This statement is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	Special Revenue Funds			
	Special Service Area #31 Fund	ETSB Fund	Special Service Area #34 Fund	Special Service Area #35 Fund
REVENUES				
Property taxes	\$ 23,681	\$ -	\$ 18,010	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	-	-	-
Contributions	-	-	-	-
Net investment income (loss)	-	48,823	-	-
Intergovernmental	-	-	-	-
Charges for services	-	2,886,587	-	-
Miscellaneous	-	-	-	-
Total revenues	23,681	2,935,410	18,010	-
EXPENDITURES				
Current				
General government	-	-	-	-
Physical environment	-	-	-	-
Public safety	-	2,457,876	-	-
Culture and recreation	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	2,457,876	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,681	477,534	18,010	-
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(18,010)	-
Total other financing sources (uses)	-	-	(18,010)	-
NET CHANGE IN FUND BALANCES	23,681	477,534	-	-
FUND BALANCES (DEFICIT), JANUARY 1	(244,137)	1,435,400	-	-
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (220,456)	\$ 1,912,934	\$ -	\$ -

Special Revenue Funds			Debt Service		Total Nonmajor Governmental Funds
Heinen Business District Fund	Block 59 Business District Fund	ARPA Fund	Special Service Area #23 Fund	Downtown Parking Fund	
\$ -	\$ -	\$ -	\$ 98,939	\$ -	\$ 6,579,030
-	-	-	-	993,590	9,634,318
-	-	-	-	-	63,044
-	-	-	-	-	69,095
-	-	-	-	-	2,246
11	604	-	-	444,849	1,771,013
2,889	160,799	13,308,689	-	988,389	22,654,533
-	-	-	-	146,958	7,169,569
-	-	-	-	-	11,291
2,900	161,403	13,308,689	98,939	2,573,786	47,954,139
-	-	107,709	-	-	111,342
-	-	-	-	-	706,863
-	-	-	-	-	5,841,204
-	-	-	-	-	8,383,219
-	-	-	-	766,500	4,066,748
-	-	13,200,980	-	-	22,090,790
-	-	-	-	270,000	292,209
-	-	-	-	24,925	26,260
-	-	13,308,689	-	1,061,425	41,518,635
2,900	161,403	-	98,939	1,512,361	6,435,504
-	-	-	-	-	-
-	-	-	-	-	1,668,239
-	-	-	(98,939)	-	(2,800,244)
-	-	-	(98,939)	-	(1,132,005)
2,900	161,403	-	-	1,512,361	5,303,499
-	-	-	107,599	8,530,335	32,314,680
\$ 2,900	\$ 161,403	\$ -	\$ 107,599	\$ 10,042,696	\$ 37,618,179

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ (12,466)	\$ (12,466)	\$ 756,996	\$ 769,462
Intergovernmental revenue - allotments from state and grants	6,660,128	6,660,128	6,937,545	277,417
Total revenues	6,647,662	6,647,662	7,694,541	1,046,879
EXPENDITURES				
Capital outlay	7,600,000	7,600,000	7,825,610	(225,610)
Total expenditures	7,600,000	7,600,000	7,825,610	(225,610)
NET CHANGE IN FUND BALANCE	<u>\$ (952,338)</u>	<u>\$ (952,338)</u>	(131,069)	<u>\$ 821,269</u>
FUND BALANCE, JANUARY 1			<u>13,454,424</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 13,323,355</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental - federal grant	\$ 535,000	\$ 535,000	\$ 706,863	\$ 171,863
Total revenues	535,000	535,000	706,863	171,863
EXPENDITURES				
Physical environment				
Grants and contributions	535,000	535,000	706,863	(171,863)
Total expenditures	535,000	535,000	706,863	(171,863)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, JANUARY 1			25,324	
FUND BALANCE, DECEMBER 31			\$ 25,324	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property tax	\$ 299,991	\$ 299,991	\$ 249,918	\$ (50,073)
Other taxes				
Local gasoline	2,434,000	2,434,000	2,401,044	(32,956)
Personal property replacement tax	79,872	79,872	105,157	25,285
Licenses and permits	40,000	40,000	63,044	23,044
Contributions	-	-	2,246	2,246
Net investment income (loss)	(851)	(851)	116,548	117,399
Miscellaneous	-	-	3,227	3,227
Total revenues	2,853,012	2,853,012	2,941,184	88,172
EXPENDITURES				
Transportation				
Salaries and wages	521,181	521,181	592,767	(71,586)
Benefits and related	168,429	168,429	206,628	(38,199)
Capital outlay	3,325,000	1,147,935	919,783	228,152
Total expenditures	4,014,610	1,837,545	1,719,178	118,367
NET CHANGE IN FUND BALANCES	\$ (1,161,598)	\$ 1,015,467	1,222,006	\$ 206,539
FUND BALANCE, JANUARY 1			2,353,159	
FUND BALANCE, DECEMBER 31			\$ 3,575,165	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NAPER SETTLEMENT FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 4,162,796	\$ 4,162,796	\$ 4,158,180	\$ (4,616)
Net investment income	-	-	22,222	22,222
Charges for services				
School services and programs	91,455	91,455	137,290	45,835
Museum tours	4,000	4,000	10,151	6,151
Public program revenue	104,250	104,250	126,962	22,712
Gate admissions	38,400	38,400	41,640	3,240
Settlement - weddings	84,220	84,220	86,108	1,888
Settlement - other	52,070	52,070	65,650	13,580
 Total revenues	 4,537,191	 4,537,191	 4,648,203	 111,012
EXPENDITURES				
Culture and recreation				
Settlement administration				
Salaries and wages	914,951	914,951	883,633	31,318
Benefits and related	346,398	346,398	257,021	89,377
Contracted services	63,723	63,723	32,864	30,859
Supplies	60,001	60,001	89,724	(29,723)
Internal services	170,217	170,217	170,220	(3)
Visitor services				
Salaries and wages	557,192	557,192	513,518	43,674
Benefits and related	144,318	144,318	128,381	15,937
Contracted services	12,934	12,934	12,064	870
Supplies	18,000	18,000	18,309	(309)
Building and grounds				
Salaries and wages	162,223	162,223	164,241	(2,018)
Benefits and related	57,719	57,719	59,224	(1,505)
Contracted services	537,499	537,499	511,463	26,036
Internal services	7,248	7,248	7,248	-
Supplies	174,652	174,652	199,593	(24,941)
Capital maintenance	14,000	14,000	12,530	1,470
Development				
Salaries	472,838	472,838	418,482	54,356
Employee benefits	130,339	130,339	106,640	23,699

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NAPER SETTLEMENT FUND

For the Year Ended December 31, 2023

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Budget</u>	<u>Budget</u>		
EXPENDITURES (Continued)				
Culture and recreation (Continued)				
Artifact and preservation				
Salaries and wages	\$ 218,522	\$ 218,522	\$ 218,332	\$ 190
Benefits and related	95,508	95,508	87,988	7,520
Contracted services	10,350	10,350	13,754	(3,404)
Supplies	3,799	3,799	4,633	(834)
Public relations/marketing				
Salaries and wages	156,128	156,128	203,684	(47,556)
Benefits and related	59,794	59,794	74,439	(14,645)
Contracted services	148,838	148,838	137,298	11,540
Supplies	-	-	3,005	(3,005)
Debt service				
Principal	-	-	22,209	(22,209)
Interest	-	-	1,335	(1,335)
	<hr/>	<hr/>		
Total expenditures	4,537,191	4,537,191	4,351,832	185,359
	<hr/>	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ -	296,371	\$ 296,371
	<hr/>	<hr/>		
FUND BALANCE, JANUARY 1			<hr/>	283,410
FUND BALANCE, DECEMBER 31			<hr/>	\$ 579,781

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE TAX FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ -	\$ -	\$ 4,156	\$ 4,156
Insurance tax	395,000	395,000	395,829	829
Total revenues	<u>395,000</u>	<u>395,000</u>	<u>399,985</u>	<u>4,985</u>
EXPENDITURES				
Public safety				
Supplies	388,100	388,100	247,453	140,647
Total expenditures	<u>388,100</u>	<u>388,100</u>	<u>247,453</u>	<u>140,647</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,900</u>	<u>\$ 6,900</u>	152,532	<u>\$ 145,632</u>
FUND BALANCE, JANUARY 1			<u>476,807</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 629,339</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
E-911 SURCHARGE FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ (368)	\$ (368)	\$ 49,964	\$ 50,332
Charges for services	3,500,000	3,500,000	3,625,792	125,792
Total revenues	<u>3,499,632</u>	<u>3,499,632</u>	<u>3,675,756</u>	<u>176,124</u>
EXPENDITURES				
Public safety				
Internal services	3,500,000	3,500,000	3,083,625	416,375
Total expenditures	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,083,625</u>	<u>416,375</u>
NET CHANGE IN FUND BALANCE	<u>\$ (368)</u>	<u>\$ (368)</u>	592,131	<u>\$ 592,499</u>
FUND BALANCE, JANUARY 1			<u>1,833,925</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,426,056</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOOD AND BEVERAGE TAX FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Food and beverage tax	\$ 5,901,500	\$ 5,901,500	\$ 6,134,527	\$ 233,027
Net investment income (loss)	(1,403)	(1,403)	122,607	124,010
Miscellaneous	7,500	7,500	25,230	17,730
Total revenues	5,907,597	5,907,597	6,282,364	374,767
EXPENDITURES				
Culture and recreation				
Salaries and wages	69,120	69,120	60,867	8,253
Benefits and related	1,494,528	1,494,528	1,548,958	(54,430)
Contracted services	304,758	304,758	311,643	(6,885)
Grants and contributions	2,161,501	2,161,501	2,133,463	28,038
Total expenditures	4,029,907	4,029,907	4,054,931	(25,024)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,877,690	1,877,690	2,227,433	349,743
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,826,118)	(1,826,118)	(2,041,742)	(215,624)
Total other financing sources (uses)	(1,826,118)	(1,826,118)	(2,041,742)	(215,624)
NET CHANGE IN FUND BALANCE	\$ 51,572	\$ 51,572	185,691	\$ 134,119
FUND BALANCE, JANUARY 1			1,310,693	
FUND BALANCE, DECEMBER 31			\$ 1,496,384	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN MAINTENANCE FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 1,252,829	\$ 1,252,829	\$ 1,246,429	\$ (6,400)
Fines	40,000	40,000	69,095	29,095
Net investment income (loss)	(1,288)	(1,288)	111,127	112,415
Charges for services	10,000	10,000	300	(9,700)
Miscellaneous	-	-	(17,166)	(17,166)
Total revenues	1,301,541	1,301,541	1,409,785	108,244
EXPENDITURES				
Transportation				
Salaries and wages	753,755	753,755	729,090	24,665
Benefits and related	224,794	224,794	190,585	34,209
Contracted services	1,399,670	1,399,670	1,152,393	247,277
Supplies	295,970	295,970	191,097	104,873
Internal services	91,591	91,591	91,608	(17)
Capital outlay	58,000	58,000	97,955	(39,955)
Total expenditures	2,823,780	2,823,780	2,452,728	371,052
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,522,239)	(1,522,239)	(1,042,943)	479,296
OTHER FINANCING SOURCES (USES)				
Transfers in	1,668,239	1,668,239	1,668,239	-
Total other financing sources (uses)	1,668,239	1,668,239	1,668,239	-
NET CHANGE IN FUND BALANCE	\$ 146,000	\$ 146,000	625,296	\$ 479,296
FUND BALANCE, JANUARY 1			1,852,281	
FUND BALANCE, DECEMBER 31			\$ 2,477,577	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TEST TRACK FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 31,200	\$ 31,200	\$ 42,131	\$ 10,931
Net investment income	(23)	(23)	1,805	1,828
Total revenues	31,177	31,177	43,936	12,759
EXPENDITURES				
Transportation				
Contracted services	48,160	48,160	42,342	5,818
Supplies	21,200	21,200	5,783	15,417
Total expenditures	69,360	69,360	48,125	21,235
NET CHANGE IN FUND BALANCE	\$ (38,183)	\$ (38,183)	(4,189)	\$ 33,994
FUND BALANCE, JANUARY 1			95,166	
FUND BALANCE, DECEMBER 31			\$ 90,977	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WATER STREET TIF FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 619,685	\$ 619,685	\$ 635,869	\$ 16,184
Net investment income (loss)	(207)	(207)	16,730	16,937
Total revenues	<u>619,478</u>	<u>619,478</u>	<u>652,599</u>	<u>33,121</u>
EXPENDITURES				
General government				
Contracted services	<u>4,000</u>	<u>4,000</u>	<u>3,633</u>	<u>367</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,633</u>	<u>367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>615,478</u>	<u>615,478</u>	<u>648,966</u>	<u>33,488</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(619,685)</u>	<u>(619,685)</u>	<u>(635,869)</u>	<u>(16,184)</u>
Total other financing sources (uses)	<u>(619,685)</u>	<u>(619,685)</u>	<u>(635,869)</u>	<u>(16,184)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,207)</u>	<u>\$ (4,207)</u>	13,097	<u>\$ 17,304</u>
FUND BALANCE, JANUARY 1			<u>40,272</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 53,369</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FORFEITURE FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ (1,311)	\$ (1,311)	\$ 74,553	\$ 75,864
Intergovernmental	281,500	281,500	153,530	(127,970)
Total revenues	280,189	280,189	228,083	(52,106)
EXPENDITURES				
Public safety				
Contracted services	205,500	205,500	20,230	185,270
Internal services	25,000	25,000	5,170	19,830
Supplies	362,000	362,000	26,850	335,150
Capital maintenance	80,000	80,000	-	80,000
Outside agencies	9,000	9,000	-	9,000
Capital outlay	-	-	144,417	(144,417)
Total expenditures	681,500	681,500	196,667	484,833
NET CHANGE IN FUND BALANCE	\$ (401,311)	\$ (401,311)	31,416	\$ 432,727
FUND BALANCE, JANUARY 1			1,194,306	
FUND BALANCE, DECEMBER 31			\$ 1,225,722	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #25 FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 68,000	\$ 68,000	\$ 68,002	\$ 2
Investment income	-	-	18	18
Total revenues	68,000	68,000	68,020	20
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 68,000	\$ 68,000	68,020	\$ 20
FUND BALANCE (DEFICIT), JANUARY 1			<u>(359,966)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (291,946)</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #30 FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 80,000	\$ 80,000	\$ 80,002	\$ 2
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>80,002</u>	<u>2</u>
EXPENDITURES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>80,000</u>	<u>80,000</u>	<u>80,002</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(5,681)</u>	<u>(5,681)</u>	<u>(5,684)</u>	<u>(3)</u>
Total other financing sources (uses)	<u>(5,681)</u>	<u>(5,681)</u>	<u>(5,684)</u>	<u>(3)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 74,319</u>	<u>\$ 74,319</u>	74,318	<u>\$ (1)</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(74,318)</u>	
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #31 FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 23,680	\$ 23,680	\$ 23,681	\$ 1
Total revenues	<u>23,680</u>	<u>23,680</u>	<u>23,681</u>	<u>1</u>
EXPENDITURES				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 23,680</u>	<u>\$ 23,680</u>	23,681	<u>\$ 1</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(244,137)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (220,456)</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ETSB FUND**

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ (575)	\$ (575)	\$ 48,823	\$ 49,398
Charges for services	2,600,000	2,600,000	2,886,587	286,587
Total revenues	2,599,425	2,599,425	2,935,410	335,985
EXPENDITURES				
Public safety				
Grants and contributions	2,600,000	2,600,000	2,457,876	142,124
Total expenditures	2,600,000	2,600,000	2,457,876	142,124
NET CHANGE IN FUND BALANCE	\$ (575)	\$ (575)	477,534	\$ 478,109
FUND BALANCE, JANUARY 1			1,435,400	
FUND BALANCE, DECEMBER 31			\$ 1,912,934	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #34 FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 18,010	\$ 18,010	\$ 18,010	\$ -
Total revenues	18,010	18,010	18,010	-
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,010	18,010	18,010	-
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(18,010)	(18,010)	(18,010)	-
Total other financing sources (uses)	(18,010)	(18,010)	(18,010)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, JANUARY 1			-	
FUND BALANCE, DECEMBER 31			\$ -	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ARPA FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 13,308,689	\$ 13,308,689
Total revenues	-	-	13,308,689	13,308,689
EXPENDITURES				
General government				
Contractual services	-	107,709	107,709	-
Capital outlay	-	13,200,980	13,200,980	-
Total expenditures	-	13,308,689	13,308,689	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (13,308,689)	-	\$ 13,308,689
FUND BALANCE, JANUARY 1			-	
FUND BALANCE, DECEMBER 31			\$ -	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #23 FUND**

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 98,939	\$ 98,939	\$ 98,939	\$ -
Total revenues	98,939	98,939	98,939	-
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98,939	98,939	98,939	-
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(98,939)	(98,939)	(98,939)	-
Total other financing sources (uses)	(98,939)	(98,939)	(98,939)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, JANUARY 1			107,599	
FUND BALANCE, DECEMBER 31			\$ 107,599	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN PARKING FUND**

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Other taxes				
Food and beverage tax	\$ 875,000	\$ 875,000	\$ 993,590	\$ 118,590
Net investment income (loss)	(8,648)	(8,648)	444,849	453,497
Intergovernmental				
Sales tax	875,000	875,000	988,389	113,389
Charges for services	116,917	116,917	146,958	30,041
Total revenues	1,858,269	1,858,269	2,573,786	715,517
EXPENDITURES				
Transportation				
Contracted services	35,000	35,000	-	35,000
Capital maintenance	1,000,000	1,000,000	766,500	233,500
Debt service				
Principal	270,000	270,000	270,000	-
Interest	24,400	24,400	24,925	(525)
Total expenditures	1,329,400	1,329,400	1,061,425	267,975
NET CHANGE IN FUND BALANCE	\$ 528,869	\$ 528,869	1,512,361	\$ 983,492
FUND BALANCE, JANUARY 1			8,530,335	
FUND BALANCE, DECEMBER 31			\$ 10,042,696	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND PROJECT FUND**

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	14,460,000	14,460,000	-	(14,460,000)
Total other financing sources (uses)	14,460,000	14,460,000	-	(14,460,000)
NET CHANGE IN FUND BALANCE	<u>\$ 14,460,000</u>	<u>\$ 14,460,000</u>	-	<u>\$ (14,460,000)</u>
FUND BALANCE, JANUARY 1			-	
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

December 31, 2023

	Burlington Commuter Fund	Solid Waste Fund	Total
CURRENT ASSETS			
Cash and investments	\$ 2,451,928	\$ -	\$ 2,451,928
Receivables			
Accrued interest	11,290	-	11,290
Accounts receivable less allowance for doubtful accounts	2,146	612,954	615,100
Total current assets	2,465,364	612,954	3,078,318
NONCURRENT ASSETS			
Capital assets (net of accumulated depreciation)			
Capital assets not depreciated	11,794,856	-	11,794,856
Capital assets depreciated, net	843,545	-	843,545
Net capital assets	12,638,401	-	12,638,401
Total assets	15,103,765	612,954	15,716,719
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	15,103,765	612,954	15,716,719
CURRENT LIABILITIES			
Accounts payable	32,237	630,526	662,763
Accrued wages and benefits payable	11,031	-	11,031
Deposits	765	-	765
Due to other funds	-	335,116	335,116
Total current liabilities	44,033	965,642	1,009,675
Total liabilities	44,033	965,642	1,009,675
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	44,033	965,642	1,009,675
NET POSITION			
Net investment in capital assets	12,638,401	-	12,638,401
Unrestricted (deficit)	2,421,331	(352,688)	2,068,643
TOTAL NET POSITION (DEFICIT)	\$ 15,059,732	\$ (352,688)	\$ 14,707,044

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2023

	Burlington Commuter Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Charges for services	\$ 1,069,002	\$ 7,475,656	\$ 8,544,658
Total operating revenues	1,069,002	7,475,656	8,544,658
OPERATING EXPENSES			
Operations	1,133,752	7,571,786	8,705,538
Total operating expenses	1,133,752	7,571,786	8,705,538
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(64,750)	(96,130)	(160,880)
Depreciation and amortization	(118,837)	-	(118,837)
OPERATING INCOME (LOSS)	(183,587)	(96,130)	(279,717)
NON-OPERATING REVENUES (EXPENSES)			
Net investment income	118,126	-	118,126
Total non-operating revenues (expenses)	118,126	-	118,126
CHANGE IN NET POSITION	(65,461)	(96,130)	(161,591)
NET POSITION (DEFICIT), JANUARY 1	15,125,193	(256,558)	14,868,635
NET POSITION (DEFICIT), DECEMBER 31	\$ 15,059,732	\$ (352,688)	\$ 14,707,044

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2023

	Burlington Commuter Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,066,856	\$ 7,435,723	\$ 8,502,579
Payments to suppliers	(621,554)	(7,552,435)	(8,173,989)
Payments to employees	(529,327)	-	(529,327)
Net cash from operating activities	(84,025)	(116,712)	(200,737)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to/from other funds	-	88,327	88,327
Net cash from noncapital financing activities	-	88,327	88,327
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment sales or maturities	920,676	-	920,676
Investment purchases	(815,121)	-	(815,121)
Net interest received	11,437	-	11,437
Net cash from investing activities	116,992	-	116,992
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,967	(28,385)	4,582
CASH AND CASH EQUIVALENTS, JANUARY 1	2,418,961	28,385	2,447,346
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,451,928	\$ -	\$ 2,451,928
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (183,587)	\$ (96,130)	\$ (279,717)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization expense	118,837	-	118,837
(Increase) decrease in assets and deferred outflows of resources	(2,146)	(39,933)	(42,079)
Increase (decrease) in liabilities and deferred inflows of resources	(17,129)	19,351	2,222
Total adjustments	99,562	(20,582)	78,980
NET CASH FROM OPERATING ACTIVITIES	\$ (84,025)	\$ (116,712)	\$ (200,737)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased through accounts and retainage payable	\$ -	\$ -	\$ -
Unrealized investment gains/losses	108,405	-	108,405
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 108,405	\$ -	\$ 108,405

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police and Firefighters' Pension Trust Funds - to account for the accumulation of retirement and disability benefits as required by state statute. Resources are contributed by employees at rates fixed by law and by the City determined by an actuarial study.

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2023

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 295,136	\$ 1,586,674	\$ 1,881,810
Investments held in the Illinois			
Firefighters' Pension Investment Fund	-	241,826,049	241,826,049
Investments held in the Illinois			
Police Officers' Pension Investment Fund	244,193,534	-	244,193,534
Total investments	244,193,534	241,826,049	486,019,583
Due from municipality	28,357	28,357	56,714
Prepays	795	11,564	12,359
Total assets	244,517,822	243,452,644	487,970,466
LIABILITIES			
Accounts payable	6,043	5,180	11,223
NET POSITION RESTRICTED FOR PENSIONS	\$ 244,511,779	\$ 243,447,464	\$ 487,959,243

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2023

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 8,694,282	\$ 10,774,100	\$ 19,468,382
Employee	2,114,393	2,109,425	4,223,818
Other	499,000	-	499,000
Total contributions	<u>11,307,675</u>	<u>12,883,525</u>	<u>24,191,200</u>
Investment income			
Net appreciation in fair value of investments	27,966,782	28,434,088	56,400,870
Interest and dividends	1,538,675	3,929,740	5,468,415
Total investment income	<u>29,505,457</u>	<u>32,363,828</u>	<u>61,869,285</u>
Less investment expense	326,755	248,269	575,024
Net investment income	<u>29,178,702</u>	<u>32,115,559</u>	<u>61,294,261</u>
Other income	-	274	274
Total additions	<u>40,486,377</u>	<u>44,999,358</u>	<u>85,485,735</u>
DEDUCTIONS			
Pension benefits	12,891,525	12,719,507	25,611,032
Refunds of contributions	264,228	-	264,228
Administrative expense	60,201	91,197	151,398
Total deductions	<u>13,215,954</u>	<u>12,810,704</u>	<u>26,026,658</u>
NET INCREASE	27,270,423	32,188,654	59,459,077
NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>217,241,356</u>	<u>211,258,810</u>	<u>428,500,166</u>
December 31	<u>\$ 244,511,779</u>	<u>\$ 243,447,464</u>	<u>\$ 487,959,243</u>

(See independent auditor's report.)

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (Unaudited)

This part of the City of Naperville, Illinois' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	138-147
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	148-154
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	155-158
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	159-160
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	161-163

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

CITY OF NAPERVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2015	2015**/**	2016	2017
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 409,027	\$ 420,617	\$ 425,260	\$ 411,982
Restricted	9,623	9,635	7,993	17,301
Unrestricted	30,529	(87,728)	(86,883)	(83,615)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 449,179	\$ 342,524	\$ 346,370	\$ 345,668
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 442,720	\$ 426,461	\$ 422,141	\$ 416,692
Restricted	-	-	-	-
Unrestricted	6,674	8,693	18,661	34,704
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 449,394	\$ 435,154	\$ 440,802	\$ 451,396
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 851,747	\$ 847,078	\$ 847,401	\$ 828,674
Restricted	9,623	9,635	7,993	17,301
Unrestricted	37,203	(79,035)	(68,222)	(48,911)
TOTAL PRIMARY GOVERNMENT	\$ 898,573	\$ 777,678	\$ 787,172	\$ 797,064

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

**The City implemented GASB Statement No. 68 as of December 31, 2015.

Data Source

Audited Financial Statements

	2018	2019	2020	2021	2022	2023
\$	413,491	\$ 409,050	\$ 392,642	\$ 402,305	\$ 409,406	\$ 424,682
	16,902	19,684	20,950	25,029	31,203	35,870
	(91,112)	(87,250)	(63,176)	(26,631)	(24,654)	(2,714)
\$	339,281	\$ 341,484	\$ 350,416	\$ 400,703	\$ 415,955	\$ 457,838
\$	406,121	\$ 394,245	\$ 401,728	\$ 406,088	\$ 402,320	\$ 422,722
	-	-	-	-	-	-
	53,107	66,627	66,866	77,025	66,966	61,844
\$	459,228	\$ 460,872	\$ 468,594	\$ 483,113	\$ 469,286	\$ 484,566
\$	819,612	\$ 803,295	\$ 794,370	\$ 808,393	\$ 811,726	\$ 847,404
	16,902	19,684	20,950	25,029	31,203	35,870
	(38,005)	(20,623)	3,690	50,394	42,312	59,130
\$	798,509	\$ 802,356	\$ 819,010	\$ 883,816	\$ 885,241	\$ 942,404

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2015	2015*	2016	2017
EXPENSES				
Governmental activities				
General government	\$ 8,925	\$ 11,331	\$ 14,918	\$ 15,250
Physical environment	8,381	6,784	9,996	10,376
Public safety	70,241	63,792	78,039	74,934
Culture and recreation	8,687	4,846	7,516	8,366
Transportation	56,446	25,941	37,830	48,964
Interest on long-term debt	4,288	2,512	3,524	3,122
Total governmental activities expenses	<u>156,968</u>	<u>115,206</u>	<u>151,823</u>	<u>161,012</u>
Business-type activities				
Electric	144,954	103,759	151,588	150,148
Water and wastewater	51,287	41,990	56,926	60,591
Burlington commuter parking	2,061	905	1,770	1,423
Solid waste	-	-	-	-
Total business-type activities expenses	<u>198,302</u>	<u>146,654</u>	<u>210,284</u>	<u>212,162</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 355,270</u>	<u>\$ 261,860</u>	<u>\$ 362,107</u>	<u>\$ 373,174</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,245	\$ 4,133	\$ 13,151	\$ 12,252
Physical environment	2,099	1,357	2,215	2,401
Public safety	7,875	5,021	8,081	10,448
Culture and recreation	883	301	467	538
Transportation	2,478	164	195	129
Operating grants and contributions				
General government				
Physical environment	540	1,003	1,737	968
Public safety	2,316	1,731	1,185	899
Culture and recreation	-	-	-	-
Transportation	5,013	-	38	361
Interest on long-term debt	297	-	-	-
Capital grants and contributions				
Transportation	12,118	2,541	3,736	3,679
Total governmental activities program revenues	<u>34,864</u>	<u>16,251</u>	<u>30,805</u>	<u>31,675</u>
Business-type activities				
Charges for services				
Electric	135,708	96,128	155,122	157,317
Water and wastewater	48,201	35,071	51,004	53,627
Burlington commuter parking	2,211	1,473	2,298	2,528
Solid waste	-	-	-	-
Operating grants and contributions				
Electric	-	-	(18)	-
Water and wastewater	234	235	224	307
Burlington commuter parking	-	-	-	-
Capital grants and contributions				
Electric	2,230	2,226	3,157	4,070
Water and wastewater	4,537	931	1,778	1,978
Total business-type activities program revenues	<u>193,121</u>	<u>136,064</u>	<u>213,565</u>	<u>219,827</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 227,985</u>	<u>\$ 152,315</u>	<u>\$ 244,370</u>	<u>\$ 251,502</u>

	2018	2019	2020**	2021	2022	2023
\$	14,725	\$ 15,957	\$ 14,855	\$ 9,081	\$ 23,356	\$ 22,308
	10,396	11,706	12,823	14,098	14,241	12,577
	87,692	95,907	84,571	82,521	104,748	102,489
	8,535	8,452	9,656	9,646	10,430	9,443
	41,110	47,730	46,544	34,533	37,642	41,334
	3,087	2,790	2,864	2,602	2,257	2,097
	165,545	182,542	171,313	152,481	192,674	190,248
	154,474	154,110	152,678	146,824	154,575	141,720
	64,494	64,141	63,845	60,580	71,303	67,319
	1,907	2,289	2,228	1,694	1,166	1,253
	-	-	6,841	7,124	7,331	7,572
	220,875	220,540	225,592	216,222	234,375	217,864
\$	386,420	\$ 403,082	\$ 396,905	\$ 368,703	\$ 427,049	\$ 408,112
\$	13,485	\$ 14,699	\$ 6,972	\$ 7,755	\$ 7,647	\$ 7,909
	2,143	2,176	1,876	2,484	1,954	1,932
	12,232	14,853	11,854	17,005	17,620	16,967
	439	536	54	563	434	468
	151	127	89	87	102	134
	1,558	1,083	1,228	1,909	1,664	2,714
	1,135	1,473	8,565	1,350	1,160	1,314
	-	-	39	-	-	-
	316	41	702	213	738	105
	-	-	-	-	-	-
	3,814	4,872	8,945	9,252	9,205	6,938
	35,273	39,860	40,324	40,618	40,524	38,481
	162,771	150,322	150,717	147,253	142,739	138,541
	58,755	60,242	65,129	69,019	70,543	75,799
	2,392	2,369	1,062	951	1,175	1,069
	-	-	6,753	7,033	7,255	7,476
	-	-	100	-	-	-
	267	143	785	493	-	-
	-	-	-	-	-	-
	3,869	3,322	2,396	3,352	1,749	4,197
	1,437	1,080	1,456	1,436	970	839
	229,491	217,478	228,398	229,537	224,431	227,921
\$	264,764	\$ 257,338	\$ 268,722	\$ 270,155	\$ 264,955	\$ 266,402

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2015	2015*	2016	2017
NET (EXPENSE) REVENUE				
Governmental activities	\$ (122,104)	\$ (98,955)	\$ (121,018)	\$ (129,337)
Business-type activities	(5,181)	(10,590)	3,281	7,665
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (127,285)	\$ (109,545)	\$ (117,737)	\$ (121,672)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 33,169	\$ 34,849	\$ 33,355	\$ 34,129
Utility	16,123	10,108	15,137	15,399
Sales and use	35,580	25,189	44,355	46,082
State income	13,892	9,925	13,809	13,029
Real estate transfer	4,125	3,537	5,221	5,506
Food and beverage	3,138	2,835	4,955	3,907
Hotel/motel	-	-	-	-
Gas	-	-	-	-
Other***	6,037	3,448	4,313	6,049
Franchise fees	2,538	2,162	3,230	3,423
Net investment income (loss)	1,925	198	(109)	355
Miscellaneous	-	609	597	756
Transfers	(4,577)	-	-	-
Total governmental activities	111,950	92,860	124,863	128,635
Business-type activities				
Net investment income (loss)	282	137	310	580
Miscellaneous revenues	-	1,189	2,057	2,351
Transfers	4,577	-	-	-
Total business-type activities	4,859	1,326	2,367	2,931
TOTAL PRIMARY GOVERNMENT	\$ 116,809	\$ 94,186	\$ 127,230	\$ 131,566
CHANGE IN NET POSITION				
Governmental activities	\$ (10,154)	\$ (6,095)	\$ 3,845	\$ (702)
Business-type activities	(322)	(9,264)	5,648	10,596
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (10,476)	\$ (15,359)	\$ 9,493	\$ 9,894

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

**The City moved the Solid Waste Fund from governmental activities to business-type activities as of December 31, 2020.

***The City began presenting hotel/motel taxes and gas taxes separately from other taxes during the fiscal year ended December 31, 2021.

Data Source

Audited Financial Statements

	2018	2019	2020**	2021	2022	2023
\$	(130,272)	\$ (130,272)	\$ (142,682)	\$ (111,863)	\$ (152,150)	\$ (151,767)
	8,616	8,616	(3,062)	13,315	(9,944)	10,057
\$	(121,656)	\$ (121,656)	\$ (145,744)	\$ (98,548)	\$ (162,094)	\$ (141,710)
\$	34,495	\$ 36,555	\$ 38,312	\$ 40,828	\$ 41,483	\$ 41,745
	16,008	15,775	14,764	14,930	16,208	15,185
	49,249	54,348	52,044	66,900	69,549	72,050
	13,617	15,694	16,023	19,493	24,367	23,884
	4,665	4,845	4,265	7,425	6,638	4,027
	5,335	5,480	3,812	5,692	6,557	7,128
	-	-	-	1,567	1,597	1,922
	-	-	-	2,290	2,392	2,401
	4,442	4,867	3,385	999	2,136	1,408
	3,097	3,119	2,909	2,962	2,860	2,655
	636	3,390	3,941	(1,909)	(7,397)	6,979
	652	831	450	972	1,032	957
	-	-	-	-	-	-
	132,196	144,904	139,905	162,149	167,422	180,341
	546	2,810	3,366	(958)	(5,647)	3,059
	1,885	1,896	1,550	2,162	1,764	2,165
	-	-	-	-	-	-
	2,431	4,706	4,916	1,204	(3,883)	5,224
\$	134,627	\$ 149,610	\$ 144,821	\$ 163,353	\$ 163,539	\$ 185,565
\$	1,924	\$ 14,632	\$ (2,777)	\$ 50,286	\$ 15,272	\$ 28,574
	11,047	13,322	1,854	14,519	(13,827)	15,281
\$	12,971	\$ 27,954	\$ (923)	\$ 64,805	\$ 1,445	\$ 43,855

CITY OF NAPERVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2015	2015*	2016	2017
GENERAL FUND				
Nonspendable	\$ 343	\$ 13	\$ 32	\$ 529
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	28,961	28,358	26,826	27,884
TOTAL GENERAL FUND	\$ 29,304	\$ 28,371	\$ 26,857	\$ 28,413
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 39	\$ 38	\$ 35	\$ -
Restricted	21,619	8,772	15,723	19,906
Committed	1,717	1,268	638	858
Assigned	5,115	5,780	12,076	12,455
Unassigned (deficit)	(543)	(763)	(576)	(543)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 27,947	\$ 15,095	\$ 27,896	\$ 32,676

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 522	\$ 521	\$ 521	\$ 446	\$ 360	\$ 512
-	-	-	-	62	217
-	-	-	-	-	-
27,754	33,666	37,482	51,542	66,497	79,047
\$ 28,276	\$ 34,187	\$ 38,003	\$ 51,988	\$ 66,919	\$ 79,776
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22,057	19,684	22,532	25,029	31,141	35,653
893	891	1,097	1,430	1,852	2,478
18,502	25,410	36,177	36,693	32,449	40,255
(474)	(803)	(989)	(770)	(678)	(512)
\$ 40,978	\$ 45,182	\$ 58,817	\$ 62,382	\$ 64,764	\$ 77,874

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2015	2015**/**	2016	2017
REVENUES				
Taxes	\$ 112,064	\$ 54,777	\$ 63,391	\$ 64,990
Licenses and permits	2,548	1,421	2,685	3,006
Fines and forfeitures	1,770	1,162	1,659	1,473
Investment income	1,603	201	(125)	338
Intergovernmental	8,762	40,368	64,221	64,462
Charges for services	9,242	9,138	18,741	21,290
Fees	3,009	2,173	3,247	3,423
Contributions	1,875	280	413	556
Miscellaneous	628	609	597	756
Total revenues	141,501	110,129	154,829	160,294
EXPENDITURES				
General government	7,241	7,737	12,091	12,482
Physical environment	8,371	5,655	8,269	8,247
Public safety	70,040	50,462	72,028	73,845
Culture and recreation	7,142	4,422	6,652	7,302
Transportation	26,916	17,879	28,115	26,443
Capital outlay	22,250	24,743	21,896	19,060
Debt service				
Principal	6,841	9,448	6,920	10,654
Interest	4,031	4,027	3,811	3,306
Other charges	205	-	-	-
Total expenditures	153,037	124,373	159,782	161,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,536)	(14,244)	(4,953)	(1,045)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,200	8,950	5,089	4,594
Transfers (out)	(3,504)	(8,950)	(5,089)	(4,594)
Sale of capital assets	515	-	769	221
Note proceeds	-	-	-	-
SBITA proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	(35,679)	-
Bonds issued, at par	17,340	-	14,334	6,980
Refunding bonds issued	-	-	33,900	-
Premium on bonds issued	389	-	2,919	179
Total other financing sources (uses)	24,940	-	16,243	7,380
NET CHANGE IN FUND BALANCES	\$ 13,404	\$ (14,244)	\$ 11,290	\$ 6,335
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	7.63%	13.67%	7.85%	9.21%

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

**At December 31, 2015, sales and income taxes were moved from the "Taxes" category to the "Intergovernmental" category.

Data Source

Audited Financial Statements.

	2018	2019	2020	2021	2022	2023
\$	64,944	\$ 67,521	\$ 64,538	\$ 73,734	\$ 77,015	\$ 73,817
	2,763	2,970	2,006	3,060	2,503	2,326
	1,276	1,385	1,012	1,286	1,301	1,324
	615	3,352	3,868	(1,840)	(7,397)	6,979
	68,323	77,192	86,904	98,201	105,670	118,074
	24,539	27,890	18,041	23,818	24,135	23,990
	3,097	3,119	2,909	2,962	2,860	2,655
	1,239	464	427	645	831	2,010
	652	832	450	972	1,032	957
	167,448	184,725	180,155	202,838	207,950	232,132
	12,064	12,510	13,713	15,184	15,905	20,506
	8,591	8,110	8,422	9,688	9,604	9,703
	78,263	81,088	90,104	91,485	93,806	96,533
	7,145	7,360	7,456	7,441	8,112	8,447
	27,198	28,759	21,762	23,632	23,546	25,312
	19,306	23,263	24,241	25,020	27,547	39,000
	10,613	10,485	10,233	9,943	9,550	11,951
	3,274	3,019	3,042	2,893	2,545	2,263
	-	-	-	-	-	-
	166,454	174,594	178,973	185,286	190,615	213,715
	994	10,131	1,182	17,552	17,335	18,417
	2,331	6,911	4,886	3,667	4,502	4,468
	(2,331)	(6,911)	(4,886)	(3,667)	(4,502)	(4,468)
	2,270	-	-	-	-	-
	-	-	-	-	-	2,894
	-	-	-	-	-	4,655
	-	-	(4,777)	-	-	-
	4,640	-	15,225	-	-	-
	-	-	4,465	-	-	-
	261	-	1,338	-	-	-
	7,171	-	16,251	-	-	7,549
\$	8,165	\$ 10,131	\$ 17,433	\$ 17,552	\$ 17,335	\$ 25,966
	9.05%	8.19%	7.75%	7.77%	7.04%	7.70%

CITY OF NAPERVILLE, ILLINOIS

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Intergovernmental Taxes			Taxes				Total
	Sales and Use Tax	State Income Tax	Intergovernmental Taxes	Property Tax	Utility Tax	Other Tax	Total Taxes	
2015	\$ 35,580	\$ 13,892	\$ 49,472	\$ 33,169	\$ 16,123	\$ 13,300	\$ 62,592	\$ 112,064
2015*	25,189	9,925	35,114	34,849	10,108	9,820	54,777	89,891
2016	44,355	13,809	58,164	33,355	15,137	14,489	62,981	121,145
2017	46,082	13,029	59,111	34,129	15,399	15,462	64,990	124,101
2018	49,249	13,617	62,866	34,495	16,008	14,442	64,945	127,811
2019	54,348	15,694	70,042	36,555	15,775	15,192	67,522	137,564
2020	52,044	16,023	68,067	38,312	14,764	11,462	64,538	132,605
2021	66,900	19,493	86,393	40,828	14,930	14,116	69,874	156,267
2022	69,549	24,367	93,916	41,483	16,208	15,331	73,022	166,938
2023	72,050	23,884	95,934	41,745	15,185	12,563	69,493	165,427

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Farm Property	Commercial and Industrial Property	Railroad Property	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Taxable Value	Percent of Assessed Value
2013	\$ 4,866,627,723	\$ 315,592	\$ 1,056,949,654	\$ 2,706,677	\$ 5,926,599,646	\$ 0.7828	\$ 17,779,798,938	33.333%
2014	4,917,955,140	215,985	1,071,651,247	2,731,565	5,992,553,937	0.8082	17,977,661,811	33.333%
2015	5,056,340,567	190,521	1,219,286,607	2,838,480	6,278,656,175	0.7392	18,835,968,525	33.333%
2016	5,384,396,867	130,047	1,279,947,209	3,194,886	6,667,669,009	0.7004	20,003,007,027	33.333%
2017	5,615,923,169	233,148	1,332,878,028	3,535,883	6,952,570,228	0.6815	20,857,710,684	33.333%
2018	5,951,453,369	359,566	1,263,550,068	4,322,495	7,219,685,498	0.6870	21,659,056,494	33.333%
2019	6,024,168,661	454,951	1,421,814,242	5,015,287	7,451,453,141	0.6937	22,354,359,423	33.333%
2020	6,320,681,261	348,611	1,452,597,887	6,014,713	7,779,642,472	0.6949	23,338,927,416	33.333%
2021	6,450,203,140	239,651	1,465,176,271	7,133,537	7,922,752,599	0.6887	23,768,257,797	33.333%
2022	6,813,223,558	254,185	1,506,874,967	8,353,467	8,328,706,177	0.6647	24,986,118,531	33.333%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CITY DIRECT RATES										
General Corporate	0.1009	0.0803	0.1060	0.0789	0.0188	0.0439	0.0739	0.0850	0.0852	0.0841
Naperville Public Library	0.2465	0.2481	0.2288	0.2119	0.2119	0.2055	0.2025	0.1939	0.1935	0.1919
Police Pension	0.0879	0.0845	0.0938	0.0917	0.0961	0.0911	0.0913	0.0949	0.0950	0.0953
Firefighters' Pension	0.0884	0.0846	0.0945	0.1023	0.1218	0.1177	0.1241	0.1266	0.1269	0.1203
Bond and interest - general obligation bond	0.1631	0.2153	0.1249	0.1297	0.1538	0.1591	0.1283	0.1224	0.1107	0.0984
Illinois Municipal Retirement	0.0461	0.0460	0.0441	0.0415	0.0369	0.0305	0.0356	0.0357	0.0280	0.0247
Naper Settlement	0.0499	0.0494	0.0471	0.0444	0.0422	0.0392	0.0380	0.0364	0.0494	0.0500
Total direct rates	0.7828	0.8082	0.7392	0.7004	0.6815	0.6870	0.6937	0.6949	0.6887	0.6647
OVERLAPPING RATES										
Naperville Park District	0.3358	0.3397	0.3317	0.3195	0.3162	0.3149	0.3060	0.2931	0.3013	0.3002
Unit School #203	5.3862	5.4756	5.3549	5.0547	5.0062	4.9259	4.9672	4.8841	4.9142	4.9580
Unit School #204	5.9498	6.0149	5.8505	5.6004	5.4967	5.4589	5.3600	5.2956	5.1346	5.3308
College of DuPage #502	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317	0.2112	0.2114	0.2034	0.1946
DuPage Forest Preserve	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	0.1242	0.1205	0.1177	0.1130
DuPage Airport Authority	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	0.0141	0.0148	0.0144	0.1390
DuPage County	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673	0.1655	0.1609	0.1587	0.1428
Will County	0.5994	0.6210	0.6408	0.6182	0.5986	0.5927	0.5842	0.5788	0.5761	0.5620
Lisle Township	0.0548	0.0561	0.0553	0.0528	0.0512	0.0496	0.0428	0.0393	0.0407	0.0411
Naperville Township	0.0515	0.0413	0.0452	0.0435	0.0426	0.0424	0.0419	0.0414	0.0417	0.0412
Wheatland Township	0.0378	0.0378	0.0336	0.0737	0.0738	0.0738	0.0725	0.0727	0.0725	0.0725

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2022 Tax Levy			2013 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Ryan PTS	\$ 19,525,870	1	0.23%			
CF Railway Multifamily	18,207,180	2	0.22%			
Inland Private Capital	16,140,300	3	0.19%			
Sir Properties REIT LLC	16,100,990	4	0.19%			
TGM McDowell Place LLC	15,865,080	5	0.19%			
BMO Harris Bank	15,789,880	6	0.19%			
RRE Grand Reserve Holding	15,291,830	7	0.18%			
Pensam Group LLC	14,992,710	8	0.18%			
Moran Canyon Owners LLC	14,543,180	9	0.17%			
Duke Secured Finan 2009	13,064,010	10	0.16%			
NS-MPG Inc				\$ 25,664,100	1	0.43%
Tellabs Operations Inc.				14,657,500	2	0.25%
Wells Real Estate Funds				14,227,090	3	0.24%
Ondeo Nalco Center				13,934,700	4	0.24%
Edward Health Services				13,024,190	5	0.22%
BP-Amoco Oil Company				12,568,030	6	0.21%
UBS Realty Investors LLC				12,069,070	7	0.20%
AMFP II Oakhurst North				11,973,900	8	0.20%
Amlis Residential				11,271,820	9	0.19%
ING Clarion				11,239,000	10	0.19%
	<u>\$ 159,521,030</u>		<u>1.90%</u>	<u>\$ 140,629,400</u>		<u>2.37%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the tax payers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 46,393,422	\$ 46,183,534	99.55%	\$ 2,530	\$ 46,186,064	99.55%
2014	48,431,821	48,159,391	99.44%	29,969	48,189,360	99.50%
2015	46,260,521	45,964,584	99.36%	43,167	46,007,751	99.45%
2016	48,062,829	47,802,851	99.46%	-	47,802,851	99.46%
2017	47,381,766	47,231,092	99.68%	-	47,231,092	99.68%
2018	49,572,297	49,411,057	99.67%	-	49,411,057	99.67%
2019	51,653,948	51,361,583	99.43%	106,357	51,467,940	99.64%
2020	54,060,715	53,734,031	99.40%	100,517	53,834,548	99.58%
2021	54,548,152	54,512,380	99.93%	-	54,512,380	99.93%
2022	57,758,836	57,643,130	99.80%	-	57,643,130	99.80%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value. Amounts levied and collected include Library Fund and do not include Road and Bridge Fund.

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General merchandise	\$ 2,055,475	\$ 1,973,827	\$ 1,734,850	\$ 1,682,829	\$ 1,727,680	\$ 1,703,036	\$ 1,614,668	\$ 1,786,154	\$ 1,892,063	\$ 2,083,721
Food	3,457,404	3,537,170	4,030,651	4,277,657	4,126,200	4,119,877	4,502,795	4,370,417	4,536,041	4,643,368
Drinking and eating places	3,420,229	3,433,778	3,843,978	4,047,681	4,115,550	4,310,007	3,306,793	4,437,113	5,000,516	5,378,268
Apparel	1,088,821	1,152,420	1,210,325	1,203,706	1,174,380	1,155,698	734,756	1,227,069	1,343,490	1,390,685
Furniture, H.H., and radio	2,272,010	2,231,986	1,959,765	1,898,165	1,869,238	1,927,766	1,837,713	2,237,779	1,980,303	1,897,471
Lumber, building hardware	1,656,157	1,709,368	1,667,454	1,694,172	1,739,712	1,747,880	1,920,452	2,407,099	2,490,932	2,138,431
Automobile and filling stations	12,751,291	12,870,415	12,566,087	12,688,204	13,091,973	13,846,632	12,714,540	16,934,243	17,570,813	18,542,451
Drugs and miscellaneous retail	4,097,497	3,205,869	3,904,515	3,904,594	3,561,337	3,753,949	3,717,717	6,827,819	6,195,666	7,190,861
Agriculture and all others	1,620,270	2,576,081	1,866,766	1,997,162	2,220,590	2,223,796	1,917,751	2,282,461	2,753,803	3,455,409
Manufacturers	530,662	561,411	534,413	478,725	639,803	710,328	652,495	602,943	841,674	823,679
TOTAL	\$ 32,949,816	\$ 33,252,325	\$ 33,318,804	\$ 33,872,895	\$ 34,266,463	\$ 35,498,969	\$ 32,919,680	\$ 43,113,097	\$ 44,605,301	\$ 47,544,344
City's direct sales tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Data Source

Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City Direct Rate	City Home Rule Rate	State Rate	Regional Transportation Authority Rate	County Rate
2015	1.00%	0.00%	5.00%	0.75%	0.25%
2015*	1.00%	0.00%	5.00%	0.75%	0.25%
2016	1.00%	0.50%	5.00%	0.75%	0.25%
2017	1.00%	0.50%	5.00%	0.75%	0.25%
2018	1.00%	0.75%	5.00%	0.75%	0.25%
2019	1.00%	0.75%	5.00%	0.75%	0.25%
2020	1.00%	0.75%	5.00%	0.75%	0.25%
2021	1.00%	0.75%	5.00%	0.75%	0.25%
2022	1.00%	0.75%	5.00%	0.75%	0.25%
2023	1.00%	0.75%	5.00%	0.75%	0.25%

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Leases Payable	SBITAs Payable	General Obligation Bonds	SBITAs Payable	Revenue Bonds	IEPA Loan			
2015	\$ 108,548,121	\$ -	\$ -	\$ 60,391,308	\$ -	\$ -	\$ -	\$ 168,939,429	2.56%	\$ 1,179.01
2015**	98,808,280	-	-	55,863,868	-	-	-	154,672,148	2.27%	1,058.47
2016	109,264,633	-	-	52,899,322	-	-	-	162,163,955	2.38%	1,117.92
2017	105,347,527	-	-	48,126,452	-	-	-	153,473,979	2.19%	1,052.71
2018	99,204,495	-	-	42,862,352	-	-	-	142,066,847	1.92%	963.50
2019	88,275,178	-	-	37,680,584	-	-	-	125,955,762	1.60%	848.48
2020	93,849,312	-	-	33,185,561	-	-	-	127,034,873	1.55%	855.75
2021	83,399,716	97,521	-	28,687,658	-	-	-	112,184,895	1.36%	750.20
2022	73,411,141	74,769	2,240,363	31,373,521	-	-	-	107,099,794	1.16%	718.29
2023	63,170,166	2,637,855	5,056,380	26,104,409	1,295,810	-	-	98,264,620	0.97%	655.38

*See the schedule of Demographic and Economic Information on page 161 for personal income and population data.

**The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Less: Amounts Available	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business-Type Activities	In Debt Service Funds**			
2015	\$ 108,548,121	\$ 60,391,308	\$ 6,355,932	\$ 162,583,497	0.91%	\$ 1,134.65
2015***	98,808,280	55,863,868	4,997,000	149,675,148	0.83%	1,024.27
2016	109,264,633	52,899,322	3,169,205	158,994,750	0.84%	1,096.08
2017	105,347,527	48,126,452	3,866,197	149,607,782	0.75%	1,026.19
2018	99,204,495	42,862,352	5,027,970	137,038,877	0.66%	929.40
2019	88,275,178	37,680,584	6,568,618	119,387,144	0.55%	804.23
2020	93,849,312	33,185,561	7,971,512	119,063,361	0.53%	802.05
2021	83,399,716	28,687,658	8,207,346	103,880,028	0.45%	694.66
2022	73,411,141	31,373,521	8,637,934	96,146,728	0.40%	644.83
2023	63,170,166	26,104,409	10,150,295	79,124,280	0.32%	527.72

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 151 for property value data.

**Including restricted fund balances of Debt Service Fund, SSA 23, and Downtown Parking Funds, which were set up for paying G.O. Debt.

***The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2023

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of Naperville (1)	City of Naperville's Share of Debt
City of Naperville	\$ 70,864,401	100.00%	\$ 70,864,401
School District #200	46,250,000	0.240%	111,000
School District #202	112,365,000	4.580%	5,146,317
School District #203	6,610,000	77.210%	5,103,581
School District #204	83,850,000	42.810%	35,896,185
School District #365	259,449,049	6.690%	17,357,141
Community College District #502	103,020,000	12.480%	12,856,896
Community College District #525	118,675,936	0.240%	284,822
Lisle Park District	3,660,000	0.120%	4,392
Naperville Park District	23,515,000	94.920%	22,320,438
Wheaton Park District	6,926,057	0.360%	24,934
Will County	342,550,000	14.460%	49,532,730
Will County Forest Preserve	56,320,000	14.460%	8,143,872
DuPage County	88,992,503	11.130%	9,904,866
DuPage County Forest Preserve	56,561,520	11.130%	6,295,297
	<u>1,308,745,065</u>		<u>172,982,471</u>
	<u>\$ 1,379,609,466</u>		<u>\$ 243,846,872</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the City of Naperville to valuation of property subject to taxation in overlapping unit.

Data Sources

DuPage County Clerk, Will County Clerk, or Local Government Entity

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2023

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF NAPERVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	Education Level Bachelor's Degree or Higher (% person 25+)	School Enrollment	Unemployment Rate
2015	143,289	\$ 6,606,769,212	\$ 46,108	38.7	65.5%	46,790	5.7
2015*	146,128	6,809,272,544	46,598	38.2	65.5%	45,020	4.6
2016	145,058	6,803,945,000	46,905	38.6	66.0%	45,071	4.6
2017	145,789	7,018,136,671	48,139	38.5	69.6%	44,524	4.0
2018	147,449	7,385,278,063	50,087	35.0	67.8%	44,513	3.6
2019	148,449	7,876,852,389	53,061	38.7	68.2%	43,952	3.5
2020	148,449	8,198,392,923	55,227	40.5	69.9%	42,675	8.7
2021	149,540	8,258,645,580	55,227	35.0	69.9%	45,234	3.9
2022	149,104	9,244,597,104	62,001	39.1	70.7%	41,696	2.1
2023	149,936	10,151,566,816	67,706	39.5	70.9%	41,488	4.2

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Sources

Population: U.S. Bureau of Census Estimate
 Per capita income: U.S. Bureau of Census Estimate
 Median age: U.S. Bureau of Census Estimate
 Education level: U.S. Bureau of Census Estimate
 School enrollment: Illinois Report Card
 Unemployment rate: Illinois Department of Employment Security

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2023				2014			
Employer	Employees	Rank	% of Total City Population	Employer	Employees	Rank	% of Total City Population
Edward Hospital & Health Services	4,940	1	3.29%	Edward Hospital & Health Services	4,680	1	3.27%
Indian Prairie School District 204	3,130	2	2.09%	Alcatel-Lucent	3,400	2	2.37%
Nokia	3,000	3	2.00%	Indian Prairie School District 204	2,958	3	2.06%
Naperville School District 203	2,531	4	1.69%	Naperville School District 203	2,516	4	1.76%
Nicor	2,140	5	1.43%	Nicor Gas	2,381	5	1.66%
BP America	1,800	6	1.20%	BP America	1,500	6	1.05%
Nalco	1,300	7	0.87%	Office Max	1,500	7	1.05%
BMO Harris	1,250	8	0.83%	BMO Harris	1,000	8	0.70%
City of Naperville	977	9	0.65%	Nalco Co.	1,000	9	0.70%
KeHe	637	10	0.42%	City of Naperville	961	10	0.67%
TOTAL	21,705		14.47%		21,896		15.29%

Data Source

Naperville Development Partnership and Naperville Convention & Visitors Bureau

CITY OF NAPERVILLE, ILLINOIS
FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2014	2015*	2016	2017	2018	2019	2020	2021	2022	2023
Mayor and Council	11.12	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Legal	14.00	14.00	13.50	13.50	9.00	9.00	9.00	9.00	9.00	10.00
City Manager's Office	11.12	11.12	11.12	10.13	11.63	12.63	13.63	13.63	15.63	15.63
City Clerk	5.50	6.50	8.00	7.25	6.00	6.00	6.00	7.00	8.00	8.00
Special Events and Cultural	0.50	0.62	0.62	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development Block Grant	0.67	0.67	0.67	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	21.75	27.00	27.00	26.00	26.00	30.00	35.00	36.00	38.00	36.00
Finance	36.63	35.63	35.63	33.63	33.13	35.13	35.14	46.13	47.14	49.14
Human Resources	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00
Board of Fire and Police	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
TED Business Group	66.18	66.66	68.66	64.00	63.00	63.00	63.00	63.20	64.10	66.30
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works	108.76	108.88	109.39	103.63	103.63	100.63	100.63	99.63	99.63	101.13
Police	275.67	275.54	274.90	271.88	268.10	269.12	273.12	265.13	267.13	272.13
Fire	202.00	202.00	202.00	202.00	201.00	201.00	201.00	201.00	201.00	207.00
Electric Utility	114.00	112.00	112.00	106.00	106.00	106.00	103.00	103.00	103.00	103.00
Water Utility	82.94	83.56	83.79	84.50	82.50	83.00	84.00	83.50	85.50	85.50
TOTAL	961.22	965.68	968.78	946.02	933.49	939.01	947.02	950.72	961.63	977.33

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

City Budget

CITY OF NAPERVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2015	2015*	2016	2017	2018	2019	2020	2021	2022	2023
PUBLIC SAFETY										
Police (1)										
Physical arrests (DUI)	374	369	312	266	272	295	240	227	224	183
Parking violations	13,630	13,582	18,206	17,246	15,488	15,918	5,784	9,004	8,987	9,033
Traffic violations	12,319	12,532	15,831	15,743	15,544	17,763	9,143	11,428	11,081	9,585
Fire										
Emergency responses	12,792	12,979	13,677	14,631	14,583	15,549	14,170	15,938	16,859	17,335
Fires extinguished	93	87	106	158	192	199	34	25	20	34
PUBLIC WORKS										
Total curbside refuse collected (tons)	36,657	36,272	37,405	37,539	36,982	41,227	42,881	40,557	39,195	37,841
Total curbside recycling collected (tons)	15,692	15,872	15,655	15,650	15,503	15,116	14,117	13,368	13,625	13,702
Snow and ice control events	25	24	29	17	19	25	17	22	16	13
Tons of salt used	11,768	11,692	10,908	6,525	9,700	6,344	5,177	12,800	6,243	4,943
WATER/WASTEWATER (1)										
New connections	291	342	300	733	290	203	209	159	213	181
Water main breaks	75	68	80	81	84	106	90	119	103	98
Average daily consumption	13.90	14.10	14.46	41.90	14.65	13.45	14.42	14.85	15.56	14.92
Peak daily consumption	22.90	24.26	25.21	26.20	26.14	26.13	28.83	26.86	26.49	27.16
Average daily wastewater treated (million gal)	19.40	18.16	19.47	26.25	19.74	19.55	20.22	17.28	18.31	17.42
ELECTRIC (1)										
Peak monthly demand	322,831	328,597	352,640	330,946	343,568	341,992	325,810	340,721	340,744	362,963
Peak month energy use (million)	142.80	143.40	154.60	144.60	145.60	150.70	148.90	146.80	134.34	130.73

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

(1) Records for Police, Water/Wastewater, and Electric are maintained on a calendar year basis. The statistics for April 30, 2015 are based on actual from January 1, 2015 to April 30, 2015 and extrapolated for the remainder of the year.

Data Source

Various city departments

CITY OF NAPERVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	12	12	12	12	12	12	12	12
Patrol units	85	85	89	89	89	89	95	93	101	104
Fire										
Fire stations	10	10	10	10	10	10	10	10	10	10
Front line apparatus (engines and ambulance)	18	18	18	18	18	18	18	18	18	20
TRANSPORTATION										
Arterial streets (centerline miles)	127	138	140	140	140	140	140	140	140	140
Traffic signals	164	164	165	165	167	168	168	169	169	169
PUBLIC WORKS										
Streetlights	11,542	11,705	12,080	12,154	12,254	12,665	12,806	12,820	12,919	13,054
Storm sewers (miles)	886	895	987	852	855	639	745	745	983	1,086
WATER										
Water mains (miles)	708.2	714.5	723.2	732.7	735.6	741.0	742.8	747.5	748.2	695.4
Fire hydrants	9,157	9,236	9,378	9,451	9,480	9,522	9,559	9,625	9,641	9,698
Storage capacity (million gallons)	43.90	43.90	43.90	43.90	43.90	43.90	43.90	44.00	43.90	43.90
Sanitary sewers (miles)	539.34	543.28	551.40	553.26	562.31	564.52	565.94	566.00	566.50	569.40
Treatment capacity (million gallons per day)	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25
ELECTRIC										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission and distribution line mileage (excluding secondary distribution)	984.19	999.49	1,007.90	1,017.77	1,017.77	1,028.50	1,028.47	1,030.76	1,031.56	1,041.93

Data Source

Various city departments.